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27 July 1979

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No. 833

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FLOW OF REFUGEES FROM INDOCHINA MAY HAVE ONLY BEGUN

Kuala Lumpur BUSINESS TIMES in English 22 May 79 p 6

[Article by Alan Dawson in Bangkok]

[Text]

LIKE the wars swirling around it, the flow of Indochina refugees is teetering on the brink of becoming unmanageable.

From trickle to flood to torrent, the flight of Indochinese is already taxing the human resources of South-East Asian nations and increasing numbers of Western officials.

For the first time in modern history, one nation — Vietnam — has for at least a year in effect forced immigrants upon more than a dozen countries which throughout history had reserved the right to make such choices themselves.

Increasing numbers of experts from South-East Asia and the West now believe that:

- The government of Vietnam chooses which of its citizens should leave because they are unsuited for life in their own country.

- The reasons for the forced emigration are often racist.

- There is evidence the refugee flow from Indochina has only begun, and that unless there is a change of policy millions of the more than 55 million Vietnamese, Cambodians and Laotians will be at the world's doorstep in the foreseeable future.

There is, unfortunately, nothing simple about the refugee problem.

The two countries which receive the most refugees directly from Indochina — Thailand and Malaysia — currently house an estimated 300,000 homeless persons in camps that range from squalid to satisfactory.

In Hong Kong, whose Vietnamese boat people population rose from 6,000 to more than 30,000 in less than three months, a 12-man police intelligence squad does nothing but watch for refugee boats.

For Thailand, Malaysia and Hong Kong, the problem is arguably no longer manageable.

Rightist Thais and Muslim Malays have publicly protested against Vietnamese refugee policy. In Malaysia, the protests turned tragic when pushed-off boats overturned and sank, drowning hundreds.

Vietnam, whose Prime Minister last year promised to try to slow the refugee flow to South-East Asian neighbours, now has put forward its plan to do so. According to Mr Vu Hoang, reportedly Hanoi's No. 2 official on refugee policy, the plan is to send 10,000 persons a month directly to the West.

And while the "boat people" from Vietnam are the best known of the refugees, they are far from the only ones.

The flow of people from Laos to Thailand is greater than the birth rate of the country. Laos has achieved negative population growth.

From Cambodia so far this year have come some 150,000 people to Thailand, most of them have been pushed back by an increasingly vexed Bangkok government, but still more than 20,000 have remained.

But the refugee problem is also a human one.

Here is a shy, handsome Vietnamese youth speaking to UPI reporter Isabelle Compere in Indonesia. "Love in a refugee camp means you have to buy a mosquito net" for some privacy, he said.

Payments

Here is tough Bul Xuan Diem, 43, waiting to leave the camp in Singapore to go abroad. "It has turned out to be hell for us under the (Hanoi) regime. There is no freedom and the people are a hungry lot."

Here is Singaporean Prime Minister Lee Kuan Yew, who allows few refugees to land on

his island. "You have to grow callouses on your heart or bleed to death."

Vietnam's policy of encouraging and forcing citizens to leave the country also is run by individuals, reportedly by politburo member Nguyen Van Linh, one of the toughest, hardest-line communists. He does not speak publicly on refugees.

Most people talk numbers when they talk about refugees.

By conservative estimates, about 900,000 Indochinese have fled or have been pushed out of their countries since 1975. That does not include the 130,000 who fled Saigon before the communist takeover.

It also does not include an unknown number drowned. Some refugee experts estimate about half the fleeing Vietnamese drown. Somewhere between 10 and 25 per cent of Laotians and Cambodians are killed or captured by border forces before reaching Thailand.

At current rates, more than 100,000 more Vietnamese, and 40,000 Laotians will leave this year, most of whom will be allowed or pushed out after large payments.

How many Cambodians will emerge in 1979 is unknown. Famine and an anti-Chinese cam-

campaign by Vietnamese invaders means at least 100,000 new Cambodian refugees in 1979. Some experts predict one million.

Citing these figures, refugee officials from a score of countries and the United Nations tote up an impressive amount of travel in South-East Asia and Europe, supposedly trying to find a solution to the complicated problem given the world by Indochina.

Conferences have been held in Indonesia and Geneva. The Secretary-General of the United Nations has talked about refugees in 10 Asian countries, and his High Commissioner for Refugees has made several similar tours.

But Hanoi still pumps many more unwanted people into South-East Asian countries than refugee officers process for resettlement abroad.

Tran Thi Hoa remembers paying Vietnamese government officials about US\$8,000 in gold so she, her husband and two children could leave. She rode to the seashore from Ho Chi Minh City in a Vietnamese army truck, slept overnight in a police headquarters, and was helped aboard a ship by soldiers.

A male refugee who asked his name not be used said even in his remote Mekong Delta district town of Thot Nhot, the local bank branch accepted payments in gold to register would-be refugees. Government officers helped the "escapees," he said.

A recent visitor to Bien Hoa, 15 miles north-east of Ho Chi Minh City, said the expensive emigration programme was so well known that residents referred to it as "Operation Panama."

The name, said the traveller came from the registration of several freighters, each of which loaded thousands of refugees at the former US port at Cat Lai.

The freighters — the Hai Hong, the Skyluck and the Huey Fong to name just three — carried thousands of persons each. Most were ethnic Chinese and all bought their way out of Vietnam.

But a recent development has caused renewed concern among officials in South-East Asia and the West.

More and more ethnic Vietnamese are among recent refugee arrivals.

Assets

"It looks like Hanoi is going to give us all their citizens they don't want," said an official who, for all his bluntness asked to remain anonymous.

Basically, Hanoi doesn't want former city dwellers who appear something less than zealous about giving up their homes and money and moving to the countryside.

Thus, in return for part of the money and all fixed assets, Vietnamese government officials have reportedly been willing to provide permission and the means to leave Vietnam.

Not all Indochina refugees want to go West. Some just want to escape.

In the past year, about 220,000 ethnic Chinese and hill tribesmen have fled across the Vietnam frontier into China itself. Cambodians fled the Khmer Rouge into Vietnam, a piece of irony not lost on Hanoi which used the flight of the 150,000 Cambodians as a partial

pretext for its invasion last January.

And in another piece of irony, those Cambodian refugees will have to remain in camps inside Vietnam if Hanoi is to receive aid funds promised by the United Nations High Commissioner for Refugees.

Dangerous

Tran Thi Tuyet's problem was that she was 16. She was thus going on 17, military draft age for all Vietnamese.

The bright teenager said she was told by government officials she would be drafted on her birthday this fall, trained and sent to Cambodia. Her mother dug up long-hoarded family gold and told Tuyet to leave Vietnam.

With 29 other people, Tuyet was robbed twice by Thai fishermen-pirates. On the second occasion, when the pirate leaders began to appear dangerous, Tuyet told one of the young Thai men, "I will be your wife if you take me to Bangkok."

The Thai youth took her at her word, slept with her in a string of cheap hotels for a week and eventually dropped her off at the US Embassy in Bangkok.

At 16½, she is a "ruined woman," but she is also a survivor. None of the other 29 people from her small refugee boat have yet shown up on land. Officials fear they may be dead. — UPI.

CHEMICAL BANK REPORT FORECASTS INCREASED INFLATION

Kuala Lumpur BUSINESS TIMES in English 25 May 79 p 18

[Text]

HONG KONG, May 24

CONSUMER price inflation in developing East Asia will rise to almost 15 per cent this year from 8.5 per cent in 1978, Chemical Bank forecast in its May economic report released here.

Consumer prices will jump to double-digit levels in Indonesia, South Korea, Hong Kong and the Philippines, it said.

Malaysia, Singapore and Thailand will escape the incipient upsurge but even in these countries consumer price inflation will accelerate this year, it added.

In Korea, Hong Kong, Japan and the Philippines strong domestic demand is the key factor in the prices acceleration while in Taiwan rapid money supply growth resulting from a strong rise in foreign exchange reserves is the major cause, the bank said.

Another important inflationary factor affecting many countries is rising import prices, with the lagged effect of the 50 per cent rise in the value of the yen against the dollar from October 1977 to November 1978 creating problems especially for Korea, Taiwan and the Philippines, it said.

In Korea inflation will probably reach 17-18 per cent this year because of

booming aggregate demand resulting from the inability of the authorities to prevent the dramatic increase in foreign exchange reserves from boosting domestic liquidity, it added.

In Taiwan, consumer prices should rise eight to nine per cent this year compared with 8.8 per cent last year, largely because of the rapid growth of the money supply and imported inflation resulting from linking the value of the new Taiwan dollar to the US currency, the bank said.

For Taiwan, this year's recovery of the US dollar will bring little respite, oil price increases are occurring at the same time that wholesale prices in Japan are rising, it said.

In Hong Kong, consumer prices will rise by about 11 per cent in 1979 largely as a result of the widening trade gap which has sent the Hong Kong dollar falling.

Indonesia inflation may exceed 30 per cent this year resulting largely from the upward pressures on prices caused by the 80 per cent devaluation of the rupiah earlier this year.

Malaysia, Singapore and Thailand should have inflation rates of five per cent, six per cent and nine per cent respectively this year, slightly above their 1978 rates. —

HUNDREDS OF THOUSANDS FACING STARVATION

Kuala Lumpur BUSINESS TIMES in English 17 May 79 p 6

[Article by William C. Mann in Manila]

[Text]

BANGLADESH, once called "an international basket case" by Dr Henry A. Kissinger, may be again on the verge of catastrophe unless the world intervenes, the head of the World Food Council said last Saturday.

Mr Arturo M. Tanco Jr. said Bangladesh officials told him they expect hundreds of thousands to starve this summer without at least a half-million tons of emergency grain aid.

Last December, the shortfall in food grains predicted for Bangladesh this year was 1.7 million tons, and it was on that figure that aid programmes were based, Mr Tanco said.

He said floods and droughts since then have caused such severe crop damage that Dacca now expects to grow 2.2 million tons less than it needs for its 81 million people.

He issued an urgent appeal to grain-rich nations to make up the difference.

Disaster has been no stranger to Bangladesh during its short but turbulent existence.

A natural calamity, a 1970 cyclone that killed at least 300,000 Bengalis, caused a political split leading to the civil war that formed Bangladesh out of what was East Pakistan. Another million persons died in the war.

In early December 1971, Dr Kissinger, then national security adviser to US President Richard M. Nixon, argued in private that the US should not support independence for the break-away province, fearing it would become "an international basket case" living off foreign aid.

Bangladesh President Ziaur Rahman was said to have made an urgent personal appeal for additional grain shipments during his visit the last week of April to European Economic Community headquarters at Brussels.

On May 4, the Indian government signed with Bangladesh an agreement to loan its neighbour 150,000 tons of wheat and 50,000 tons of rice, the wheat to be repaid within eight months. The 200,000 tons of Indian grain presumably would cover 40 per cent of the shortfall mentioned by Mr Tanco.

The Indian-aided revolution succeeded, and Bangladesh has lived on the brink of disaster ever since.

Mr Tanco said he issued his appeal at the request of Mr A.M.A. Muhith, alternate deputy leader of the Bangladesh delegation to the Unctad V meeting now under way in Manila.

"Please help us. The world doesn't seem to realise the fact that we're going to have a much

larger shortfall than we thought," Mr Tanco said Mr Muhith told him.

Mr Tanco, whose agency is the implementing arm of the UN Food and Agriculture Organization, addressed his appeal particularly to the US, Canada, Australia, Japan and the EEC.

"A comfortable global grains situation and very large crops in some producer countries should pave the way for additional help to Bangladesh at this critical time," he said.

Mr Tanco said in an interview Bangladesh Finance Minister Mirzanurul Huda is in the US "trying to negotiate a big food aid package. He said Mr Huda is scheduled to meet with US Agriculture Secretary Bob Bergland.

"Agriculture in the US apparently is dragging its feet, not because it doesn't want to give any but because of the effect on domestic prices," he said. "It seems they're haggling over what price to sell domestically."

Mr Tanco, who is also the Philippines' Agriculture Minister, said the peak period for the crisis in Bangladesh will be from July to October. "Additional food supplies should be obtained immediately to meet the crisis," he said. — AP

CHINA FINDS ALLIES IN THE JANA SANGH

Kuala Lumpur BUSINESS TIMES in English 16 May 79 p 6

[Article by Sumanta Banerjee in New Delhi]

[Text]

CHINA has found new allies in India's ruling Janata Party. They are the former members of the Jana Sangh, a constituent of the coalition government which has been associated with strident Hindu communalism.

India's Foreign Minister, Atal Behari Vajpayee, himself a former Jana Sangh member, on his return from a recent visit to China, faced a barrage of attack from both the opposition and Janata Party men. They questioned the wisdom of his trying to make up with China particularly in the wake of the Chinese invasion of Vietnam.

Mr Vajpayee, however, stuck to his guns and reaffirmed India's need for friendly relations with China. When his critics asked him whether China had agreed to vacate chunks of Indian territory which it occupied in 1962, Mr Vajpayee reassured them that he would not compromise with China at the expense of national sovereignty.

The Peking lobby's main spokesman in the Janata Party is Subramanian Swamy, an economist and a Jana Sangh ideologue, who visited China prior to Mr Vajpayee's trip. Placing himself in the role of a Henry Kissinger, Mr Swamy has been acting as a go-between between Peking and New Delhi. In the midst of mounting criticism by the pro-Soviet

viet communists and congressmen, he went to China last year and paved the way for Mr Vajpayee's later visit. He came back full of praise for China's economic progress and prevailed upon the Indian government to reopen ties with Peking.

Mr Swamy also shares China's political strategy of isolating the Soviet Union. When Soviet Prime Minister Alexei Kosygin visited India last March, Mr Swamy planned to lead a demonstration demanding that the Russian leader go back. His complaint was that on the eve of the Kosygin visit, the Soviet Communist Party organ Pravda had carried a vitriolic article against the Jana Sangh and its para-military arm — the Rashtriya Swayam Sevak Sangh (RSS). Mr Swamy felt that this amounted to Russian interference in India's internal affairs.

Significantly enough, soon after the Kosygin visit, Mr Swamy met secretly with Satyanarain Singh, leader of the pro-Peking Communist Party of India (Marxist-Leninist). Mr Singh had also earlier issued a Press statement attacking the Soviet Union for opposing the RSS. Thus, common areas of agreement between the Jana Sangh and a section of the Indian Maoists are emerging.

Ironically, it was the Jana Sangh which

spearheaded in the 1950s and 1960s the anti-China campaign in India. The Jana Sangh in those days opposed China's absorption of Tibet and attacked the then Prime Minister Jawaharlal Nehru for being too friendly with China.

Although the Jana Sangh had officially merged into the Janata Party, it had kept its para-military wing, the RSS, intact. This had been a source of conflict in the Janata coalition for quite some time.

Of late, important Janata leaders like the socialist Madhu Limaye and the former Health Minister, Raj Narain, have launched a campaign demanding that Jana Sangh men disassociate themselves from the RSS. The RSS, which in 1948 was implicated in the murder of Mohandas Gandhi, remains a citadel of orthodox Hindu politicians who are committed to convert India into a Hindu state.

Created in 1925 by Golwalkar, a university lecturer who was given the title "guru" (spiritual teacher), the RSS shot into prominence during the communal holocaust preceding and following the partition of India in 1947. It organised bands of Hindus in north India to protect Hindu families and properties and fight the Muslims. This explains its firm foothold even today among the Hindu refugees who crossed over from West

Pakistan into India following the partition.

Its militant Hinduism still attracts Hindu traders and urban middle class in the north. Although the Jana Sangh tries to play down its anti-Muslim politics to suit the needs of the Janata coalition, the RSS has been found to be involved in some recent communal riots in various parts of India.

This has led to a renewed anti-RSS campaign by political opponents of the Jana Sangh. The Jana Sangh, however, maintains that the RSS is a cultural organisation and hence party leaders like Foreign Minister Vajpayee and Information and Broadcasting Minister Advani insist on retaining their RSS membership.

The RSS organisational strength and ability is already evident from its steady growth over the last four decades. According to Balasaheb Deoras, Golwalkar's successor, from a humble strength of 500 in 1932 the number of RSS activists rose to 100,000 in 1940, to one million in 1969 and to six million in 1977. They are also trying to set up bases in south India — which till recently remained outside the sphere of RSS activities mainly due to its fanatical desire to impose the Hindi language all over India. Depthnews.

HEAVY CONCENTRATION OF JOINT VENTURES IN SOUTHEAST ASIA

Kuala Lumpur BUSINESS TIMES in English 19 May 79 p 12

[Text]

NEW DELHI, May 18

THE total value of Indian joint venture investments in Malaysia now exceeds \$40 million, the secretary of Indian Investment Centre, K.R. Venugopal, said today.

He said that there were 38 Indian joint ventures in Malaysia of which 27 were in production and 11 in the implementation stage.

India has a total of 193 joint ventures abroad spread out in four continents — Asia, Africa, Europe and North America.

Another 32 joint ventures to be located in 17 countries have been approved and these are in various stages of establishment.

Products manufactured in joint ventures abroad range from hand tools to heavy engineering goods.

Most of India's joint ventures are in Asia with a heavy concentration in South-East Asia.

Mr Venugopal said that out of 38 joint ventures in Asia 45 were located in South-East Asia with the largest number in Malaysia where India ranks seventh in order of importance as a foreign investor.

Mr Venugopal said that among products manufactured by the Indian joint ventures in

Malaysia were steel furniture, precision tools, aluminium wires, electrical accessories, cycle and industrial chains, pharmaceuticals, chemicals, textiles, glass ware and machine tools.

New fields identified as possible areas for Indian investments are in the refining of palm oil and automotive power, transport equipment, industrial machinery, phosphate and assembling of electronic components industries.

Light agro-based industries are also another area for possible Indian investments.

On the transfer of technology, Mr Venugopal said that India could offer intermediate type technology to meet Malaysia's industrial needs.

"Indian technology is suitable for developing nations and can be easily adopted compared to highly sophisticated technology of developed countries," he added.

On shipping, he said that the frequency of services between Malaysia and India was still low.

Mr Venugopal said that increased shipping frequency could further improve and even reactivate trade in some areas.

He called for an exchange of visits by members of the Chambers of Commerce in both countries to explore and identify new fields for joint ventures.

A recent study by the Indian Institute of Foreign Trade (IIFT) shows tremendous opportunities for India to tap the growing markets in Indonesia, Malaysia and Singapore in telecommunications, civil engineering works, consultancy services, surface transport systems including railways, buses, power generation and distribution.

The study notes that both Malaysia and Indonesia have programmes for the expansion and modernization of their railway systems.

In Malaysia there is a programme to increase the speed of trains from 60km to 90km which will require modernisation of the signalling systems, telecommunication services, rehabilitation of tracks and bridges.

The study revealed that during the next few years Malaysia, the Philippines and Indonesia were expected to spend US\$3 billion on developing their power generating capacities alone. — Bernama ES.

NATIONWIDE ENFORCEMENT OF BAN ON COW SLAUGHTER PROPOSED

Kuala Lumpur BUSINESS TIMES in English 31 May 79 p 17

[Article by Sumanta Banerjee in New Delhi]

[Text]

IN THE old nursery rhyme, the cow jumped over the moon and the little dog laughed "to see such sport." In India, however, the starving people are in no mood to laugh at the cow's latest pranks because it is jumping over their right to food.

For the last one month, Indian politicians, seemingly oblivious to the plight of the majority of poor Indians, have been preoccupied with plans to protect the cow. The Janata government, as a result, decided to ban cow slaughter throughout India, depriving millions of beef-eating Indians of a cheap source of protein.

The bovine bias of Indian politics was sparked off by a fast-to-death undertaken last month by 84-year-old Acharya (teacher) Vinoba Bhave in his hermitage in Paunar in West India. He demanded a ban on cow slaughter because the animal was respected as "mata" or mother by the Hindus and hence should be protected. His action threw the entire Janata government out of gear.

New Delhi was particularly disturbed when Mrs Indira Gandhi supported the acharya's move. She found an opportunity in the ban-the-cow-slaughter campaign to mount an offensive

against the Janata government.

Janata Ministers rushed from Delhi to Paunar to persuade Bhave to give up his fast. Several state governments promised to ban the killing of cows. But two states — Kerala in the south, run by the pro-Moscow Communist Party of India, and West Bengal, ruled by a Marxist Communist Party-dominated Leftist Front — refused to oblige the acharya. They contended that a ban on cow slaughter besides hurting the religious sentiments of the Muslims, would deprive the poor of cheap meat.

Finally, the Janata government took the unprecedented step of promising the acharya to amend the Indian Constitution to force recalcitrant states to toe the line with the proposed ban on cow slaughter. The proposed amendment would take away the states' right regarding the cow and the central government hence forth would assume entire responsibility for protecting the animals.

This proposal has now led to yet another political storm. The non-Janata-ruled states (which form more than half of the total Indian states) fear that the constitutional amendment

might be a bad precedent allowing the centre to usurp their rights.

But the Hindu religious prohibition on beef consumption is based on rather thin grounds. The ancient Hindu scriptures like the Vedas describe the Aryans as eating beef with delight. Ritual eating of the cow in those days was often a form of cow worship. It was only later, with the advent of Buddhism, opposition to cow slaughter took a definite form and was incorporated into the Hindu religion.

Primarily under the influence of the orthodox Hindus and at the request of Mahatma Gandhi (who was consistently opposed to cow slaughter) the farmers of the Indian Constitution incorporated into it a provision which said: the government "shall take steps for preserving and improving the breeds and prohibiting the slaughter of cows and calves and other milch and draught cattle." For the last 30 years, rightwing Hindu organisations and religious bodies had agitated the government to enforce the provision.

But the government at the centre had faced two hurdles in trying to enforce it. First, cow protection is under the jurisdiction of the states, which for various rea-

sons had evaded the question. Second, a total ban on cow slaughter will encroach on the religious rights of the Muslims. According to the Islamic religion, Muslims are required to offer a cow in sacrifice on the day of "Bakr Id" — a Muslim religious occasion — and if a law interfered with their compliance with this requirement, it would go against another constitutional provision guaranteeing the fundamental right to "freely profess, practise and propagate religion."

And the battle for a ban on cow slaughter had moved during the last three decades from the courts to the streets. In the autumn of 1966, naked Hindus armed with spears converged from all India into Delhi and attempted to storm Parliament House demanding the ban.

Fanned by such support, the Hindu religious elements pressed on with their demand, with their superiors known as "shakaracharyas" (counterparts of the Catholic papal authorities) resorting to occasional fasts. The government responded all these years by forming committees to look into their demands and thus postponing a firm decision. Partial bans were imposed in some states, in-

cluding Delhi. But although beef is not available for consumption in public places like restaurants, butchers surreptitiously supply beef to private consumers.

It is not only a handful of modernised urban Indians who eat beef. Millions of Muslims, Christians and Hindus of the lower castes find in it an excellent and cheap source of protein. The cost of beef is half that of mutton and one-fourth of chicken. India has 80 million cows with a growth rate of 11.4 per cent. It is estimated that the bovine population (including buffaloes) would be 300 million by 1981. But about a tenth of the existing cattle population is unserviceable and unproductive.

They point out several alarming features of the present controversy and the way it is being solved. For one thing, it appears that one man through his obstinacy can bring to heels the leaders of the biggest democracy in Asia and bypass the rights of a very large part of the people of the country. In the process, Bhawe also obtained a promise from the center that it would curtail the rights of state governments and thus weaken the federalist nature of the country's Constitution. — Depthnews

INDIA WILL TURN TO SOVIET UNION FOR OIL

Kuala Lumpur BUSINESS TIMES in English 28 May 79 p 4

[Text]

NEW DELHI, May 27

INDIA is planning to switch on to the Soviet Union as a major supplier of crude oil "away from the Opec," a ranking Indian official said on Friday.

Petroleum and Chemicals Minister Hemavati Bahuguna told a pro-Soviet Indian group, "It has been considered it would be in our long-term interest to develop the Soviet Union as a reliable and steady source of crude supply from the Opec."

Mr Bahuguna was speaking at a symposium organised by the Indo-Soviet Cultural Society, dominated by pro-Moscow Indian communists and fellow-travellers.

Mr Bahuguna made the remarks almost on the eve of his scheduled visit to the Soviet Union starting today.

His four-day visit to

Russia will take him to a tour of the country's Siberian oil fields.

Mr Bahuguna recalled a 1977 Indo-Soviet trade agreement under which Moscow has pledged to supply 8.8 metric tons of crude to India over a period of four years ending 1980.

Over and above this promised quantity, Russia will swap 600,000 tons of crude for Indian rice this year, Mr Bahuguna said.

The minister failed to explain how Russia, with its limited oil production and commitment to meet oil needs of its European satellites, could supply a major part of India's oil imports.

India buys on the average annually 17 million metric tons of crude, almost all from the Middle East nations to meet its annual requirement of 23 million tons.

The average annual indigenous production of oil is estimated at seven million metric tons and officials expect it would go up to 13 million tons in three to four years, by which time the consumption will rise to 23 million metric tons.

Meanwhile, the Federal Finance Ministry announced a further cut in oil consumption on government accounts.

The ministry told the state governments to reduce oil consumption by government cars to two-thirds of their current level.

Earlier, the states were asked to cut down oil use by 15 per cent on government account.

India's oil import bill, because of Opec price hikes, will go up by US\$750 million from US\$2,000 million, according to an official estimate. — UPI

INDIA

FARMERS HIT BY DROUGHT AND POWER CUTS

Calcutta THE STATESMAN in English 22 Jun 79 p 14

[Text] KRISHNAGAR, June 20.--Farmers in Nadia are in despair. Drought and floods since last year have destroyed aus, aman and jute crops worth about Rs 36.5 crores. The continuing dry spell, the shortage of diesel and erratic power supply still pose a problem.

Although officials have claimed a "bumper" boro crop this year, farmers complain that they have been unable to recover their costs of production. Many farmers wonder why it was not possible to minimize the effects of the drought when there were many mechanized irrigation units in the district.

Official sources admitted that except for news items on the radio, no other help was available through official channels. The Agriculture Department did not take the trouble of suggesting "drought-tolerant" varieties of crops to the farmers. No data was available from the Meteorological Department on rainfall potential and actual evaporation or soil moisture, according to which crop patterns could be changed. Nothing besides the rain gauges and temperature gauges, installed in some seed farms, was of any use to farmers.

It is alleged that agriculture extension workers have failed to maintain the necessary connexion between the research station in Bidhan Chandra Krishi Viswa Vidyalaya and Nadia farmers. No expert opinion was available before or during the drought for the benefit of the farmers, although conferences were occasionally held in Calcutta. Officials said that the number of gram sevaks and extension officers in the district was inadequate.

Group discussions are sometimes organized to apprise farmers of measures against pests and crop diseases. But "disease-resistant" seeds are not always available.

The loss of jute crops worth about Rs 20 crores was said to be "inevitable" because irrigation facilities are insufficient. Of the 677,000 acres of cultivable land only 230,000 acres are irrigated. These, too, cannot always be properly irrigated. There are 535 deep tube-wells, 20,111 shallow tube-wells and 272 river lift pumps at present.

The district authorities have submitted a proposal for sinking 4,000 shallow and 100 deep tubewells to the Central study team which visited the drought-affected areas. They have also suggested loans amounting to Rs 1 crore to the poor but defaulting farmers.

The district authorities are trying to ensure a good jute crop by encouraging "foliar spraying and top-dressing" of the crop. Farmers are being advised to grow aus and a short-duration aman crop wherever jute has failed. Schemes have also been undertaken to supply paddy seedlings to farmers from the community nurseries on a no-profit-no-loss basis.

CSO: 4220

INDIA

POWER CRISIS CRIPPLES ASANSOL

Calcutta THE STATESMAN in English 25 Jun 79 pp 1, 9

[Article by Chinmoy Thakurta]

[Text] ASANSOL, June 24.--The power crisis has crippled big industries in the coal and steel belt of Asansol, often described as the Ruhr of India. Ancillary units are gasping for lack of orders. The people continue to suffer without electricity or water.

Frequent interruptions in power supply has endangered many mines of the Eastern Coalfields. At times "load frequency" is so low that ventilation fans and high-capacity motor pumps cannot be run properly. As a result, the mines are prone to accumulate gas or water.

At Ningha colliery, the water level is rising, according to official sources. Now it stands very close to the bottom of the main shaft. There are 10 main pumps for dewatering but most of them cannot function because of power cuts. The situation deteriorated to such an extent about a fortnight ago that mining had to be totally stopped. About 3,000 labourers were laid off for a week while pumps sucked out the water, working round the clock on power supplied from other areas.

Fire and water are a constant threat to collieries. Many mines may be flooded during the monsoon. If the power situation does not improve, pumping out the water might pose a big problem.

Whether the miners are digging coal or not, some work has to be carried out continuously to ensure the safety of mines. The ventilation system cannot be switched off beyond a certain level. Water, which accumulates in the mines as a result of natural seepage through coal seams, has to be pumped out at regular intervals. Almost 70% of the power requirement of the entire mining sector is used to meet such "essential loads." Prolonged interruptions in power supply affect work.

Labour Problems

Labour problems are often linked with power cuts. At Ningha colliery the laid-off workers had resorted to a gherao and demonstrations to press their demand for full wages. They argued that because they were not responsible for the loss of production, they would not accept any wage cuts. The issue is still under consideration. During the financial year ending in March, the total loss of production at Eastern Coalfields was 900,000 tonnes.

Almost all the major industries located in the Barakar-Asansol-Raniganj belt are feeling the pinch of power cuts. The small-scale units are struggling for survival. Apart from direct loss of production, frequent power cuts cause substantial damage to electrical equipment.

Eastern Coalfields receives power from the Damodar Valley Corporation, Durgapur Projects Limited and two private licencees--Dissergarh Power Supply and Associated Power Company. Out of a total requirement of 73 MW, 46 MW is obtained from the DVC through the intermediary licensees. The two private companies' own generation is 11 MW which is more or less steady. The Durgapur Project supplies 7 MW through the West Bengal State Electricity Board and the DVC another 7 MW through Bihar Electricity Board. Though the main generating agency is the DVC, the ECL does not receive power directly from the source. The supply from the DVC, according to ECL sources, fluctuated very much and dropped to 30 MW at times.

To maintain uninterrupted production and ensure safety in the mines, the coal sector gets priority in power supply. But the distribution channel is not meant exclusively for collieries. The lines are composite feeders, catering to the needs of other consumers as well. Attempts at delinking the mines from the other consumers have not made much headway. As an alternative arrangement, two diesel generating sets are being installed--one at Ningha and the other at Damra--for supplying emergency power to the vulnerable mines. Incidentally, these are the first generating sets for the ECL which will serve only four mines.

Another giant public sector firm, Indian Iron and Steel, is equally hard hit. The rolling mills, which consumes the maximum power, cannot always be run to capacity. Between June 1 and June 18, loss of production of the saleable steel was more than 7,000 tonnes. The supply from the DVC at times dropped to 10 MW against its commitment of 24 MW. Under the circumstances, mills were to be stopped to maintain the essential load to coke oven exhausters, blast furnace blowers and pump houses.

According to Mr D.R. Abuja, managing director of Indian Iron and Steel, the power crisis has resulted in a shortage of oxygen. The company gets pipeline oxygen gas from Indian Oxygen, which is the only source of supply. Work in the blast furnaces and the steel melting shop has been hampered considerably by the oxygen shortage. The situation became so precarious recently that the steel company was forced to bring gas in cylinders from Bokaro.

Similar Problem

Burn-Standard, another heavy industry in the public sector, has a similar power problem. The company recorded 87,256 man-hours lost in April and 61,125 in May. Loss of production for the two months in terms of money was estimated at Rs 41.78 lakhs. A paper mill, a glass factory and a cable company located in the area have their own share of sufferings.

Power supply is a main factor for development of small-scale industries in the coal belt of West Bengal. It is reported that many big industries are placing orders with ancillary units outside West Bengal because the local units cannot supply spare parts in time. Spokesman of the Coal and Steel Small Scale Industries Association feels that local units are capable of carrying out orders with equal speed and precision, provided raw material and power were available.

An interim development plan for the Asansol-Durgapur region was prepared in 1966. The plan made an attempt to present a comprehensive and cogent blueprint of what this belt should look like after 20 years. It showed quantitative and qualitative projections of future economic activity. But the interim plan has remained a document since no comprehensive plan was prepared nor a fair trial given to the recommendations. The only exception was the Durgapur urban complex where a perspective structural plan was prepared in 1963 on the basis of the guidelines given in the interim plan.

The main industries in the Asansol area are coal and steel. There is a big demand for coal and the industry was planning to boost its production. The total purchase of spares by the ECL from the small scale units at present amounts to Rs 4.5 crores a year. There is scope for ancillary units to develop new items. Many new machines and equipment are being used in the mines and spare parts will be necessary to keep them going. But the small units are in such a bad shape now that they can hardly make any plans for expansion or diversification. The power crisis has crippled them.

There is a feeling among those running small-scale units that they are being neglected by the big industries. They allege that the big industries are buying less than 10% of their spare parts from the local units. And those, who are fortunate to get some orders, are not in a position to stick to the delivery schedule. A unit which supplies big fans to Durgapur Projects normally takes two weeks to execute an order. But because of the power crisis, the unit needs five weeks for such work. The unit has the capacity to manufacture 1,500 couplings, essentially required for coal handling. But its production has come down to 300 at present. There are about 1,000 small units, both registered and unregistered, employing about 12,000 people. Most of them seem to be fighting a losing battle.

Admittedly, the growth of ancillary units for any major industry is of vital importance because it ensures timely availability of inputs. A detailed study made by the Administrative Staff College of India, Hyderabad, on material inputs into the economy, brought out the interesting fact that a few hundred crores of rupees are spent annually on the purchase of various material. If a small percentage of this goes to ancillary industries, it would have a considerable impact on the economy. At present, the capacity of the small units is not being fully utilized. What is needed most is uninterrupted power supply with an optimum voltage.

Water is scarce almost everywhere. In the Asansol area, 800,000 to 1 million gallons of water are being supplied daily by the municipality. This is quite insufficient to meet the needs of the 300,000 people in the town. Tubewells are almost unworkable. Prolonged power cuts aggravated the situation during the unprecedented drought this year. A glass of plain water was sold at 10 paise a few days ago at the main bus stand on the Grand Trunk Road.

CSO: 4220

EDITORIAL ON OUTCOME OF ASEAN FOREIGN MINISTERS CONFERENCE

Jakarta THE INDONESIA TIMES in English 2 Jul 79 p 2 BK

[Editorial: "Results of the Bali Conference"]

[Text] The results of the ASEAN foreign ministers' conference did not fail to reflect the individual member countries' feelings of disgust of and impatience with the arbitrary acts of Vietnam which have caused a critical situation in this part of the hemisphere.

Indeed, it could be predicted earlier that the ASEAN's attitude would be sterner than before. Even though sterner, it did not reflect any hostility.

The terms used in the joint statement merely underscored previous statements made either collectively or individually by ASEAN. This means that ASEAN does not use contra-action tactics against its "sick" neighbour. ASEAN keeps its peaceful attitude. Threats are not used. ASEAN is merely strongly stating its dislike to the situation and asserts its inability to cooperate further in humanitarian issues which are beyond its capacity.

The joint statement strongly reflected ASEAN's confidence in the solution of any regional problem and dispute in the light of the establishment of a peaceful, free and neutral zone in this area. Viewed from this perspective it reveals the failure of Hanoi's manoeuvre to force ASEAN to identify itself either as a friend or foe in the Soviet-Hanoi alliance against Beijing. That ASEAN is in principle against every foreign military presence in this part of the hemisphere is obvious. It does not adopt the obsolete excuse either of establishing a counter-military alliance of that of foreign military bases against the establishment of one in this area. ASEAN also will not allow itself to be dragged into other nations' conflicts.

Another failure of Vietnam is that ASEAN's unity and solidarity could be maintained, even strengthened. Its military blackmail by massing aggressive forces at the Thai border to threaten ASEAN and thus force

her to legalise Hanoi's Kampuchean act of aggression failed to achieve its objective. ASEAN stayed put on its stance, regarding aggression as aggression and that it should be rejected whenever it takes place. Yet despite all the intrigues, ASEAN did not challenge or pose any counter-threats to Hanoi which has openly threatened an ASEAN member country with military provocation. Not because ASEAN has no military capability to do so but just because it is not in line with the ASEAN peaceful character and principle that peace and friendship can only be established through peaceful means and friendly attitudes.

All in all, the conference was a success in that it strongly emphasized the peaceful character of ASEAN. It is up to Hanoi to accept its neighbours' pleas to cooperate in establishing a friendly atmosphere or to maintain a good neighbour policy of its own style.

CSO: 4220

MOCHTAR GIVES THREE CONDITIONS FOR ACCEPTING REFUGEES

Hong Kong AFP in English 1132 GMT 5 Jul 79 BK

[Excerpt] Jakarta, 5 Jul (AFP)--Mr. Mochtar Kusumaatmadja today announced that Indonesia was prepared to give asylum to the refugees on three conditions.

--The developed countries should increase their aid to build temporary shelters and camps for the refugees.

--These countries should agree to raise their assistance for the refugees themselves, and

--These countries should speed up the process of accepting the refugees.

He told newsmen that he regretted that certain countries, which pledged to increase their intake of the refugees, had accepted them on selective basis, thus treating them as immigrants.

The refugee situation would become worse unless immediate steps were taken to solve the problem, he added.

The government disclosed today that about 1,000 refugees entered Indonesia every day.

The refugees landed on Riau Islands, south of Singapore, by boats, and most of them gathered on the islands group of Jamaa, Syarifuddin Lubis, secretary of Riau Province said.

The refugees generally refused to land on uninhabited islands, because they feared that they could not get assistance when their food supplies ran out, he said.

The total of refugees in Riau reached 47,000, he added.

CSO: 4220

'PRAVDA' COMMENTARY ON ASEAN, REFUGEE PROBLEM NOTED

Jakarta Domestic Service in Indonesian 1200 GMT 7 Jul 79 BK

[Unattributed commentary]

[Text] Moscow's reaction to the attitude of ASEAN countries, which was formulated by ASEAN foreign ministers at their meeting in Denpasar last weekend, was spelled out by PRAVDA, the official organ of the CPSU, on 1 July.

According to PRAVDA's analysis, the United States, supported by China, was behind the ASEAN attitude which was designed to create a confrontation between ASEAN and socialist countries in Southeast Asia.

In connection with the analysis, it is worthwhile to note PRAVDA's opinion that ASEAN countries have different attitudes toward this campaign; Singapore fully supported the campaign, but other ASEAN member countries adopted a more cautious attitude.

Naturally, PRAVDA's opinions in the analysis have to be compared with facts, because an opinion can be wrong, while a fact is a fact. However, a number of opinions reflecting Moscow's reaction have confirmed Prime Minister Lee Kuan Yew's conclusions drawn at a recent press conference in London on what had actually happened to cause the Indochinese refugee exodus.

According to an analysis of the Singapore prime minister, the Indochinese refugees have been turned into dice in a game of big powers which wish to see Southeast Asian countries with a Chinese minority population adopt an anti-China attitude.

We say that the Moscow analysis has confirmed Lee Kuan Yew's conclusions because of the following two facts: One, PRAVDA is concerned, because contrary to Moscow's wishes, Southeast Asian countries with a Chinese minority population cannot be united in an anti-China front and, moreover, strained relations have developed between ASEAN and Indochinese countries. Two, PRAVDA has pitted Singapore--with a Chinese majority

population--against the other ASEAN countries, which have Chinese minority populations.

Therefore, based on these two facts, one can draw the conclusion that Moscow has failed to attain its strategic objectives in Southeast Asia, because ASEAN has remained intact.

This is what actually stands behind the PRAVDA commentary reflecting Moscow's reaction to the ASEAN attitude. Therefore, one can also draw the conclusion that leaving the Indochinese refugee exodus unchecked will only form a "credo quia absurdum," for which reason it must be stopped immediately.

CSO: 4213

INDONESIA

INDONESIAN ARMY SMASHES MUSLIM FANATICS-COMMUNISTS ALLIANCE BID

Hong Kong AFP in English 0552 GMT 20 Jun 79 BK

[Excerpt] Jakarta, 20 Jun (AFP)—The Indonesian Army has smashed an underground movement which carried out political murders to create an alliance between Muslim fanatics and communists, a military spokesman said today.

Java military commander Lt Gen Widjojo Sujono told Muslim leaders at Pandaan, East Java, yesterday that members of the banned "Jihad" (Holy War) command had closed links with underground communists in carrying out their anti-government activities, the spokesman said. Those murdered included Rector of the Surakarta University in Solo, Central Java, Dr Parmanto M. A. and student of the Muslim college I.A.I.N. in Yogyakarta, Central Java, Hassan Bauw, the spokesman said.

Security troops found communist literature including books on Marxism in Arabic at the Jakarta headquarters of the Islamic Youth Movement (GPI) whose members were arrested on charges of attempting to foil the sessions of the people's congress that re-elected President Suharto for the third term of office last year.

"It sounds impossible, but there have been indications and evidence of collaboration between the Muslims and the communists," the spokesman added.

General Sujono was quoted as telling the Muslim leaders that the authorities had managed to thwart the movement before it succeeded in spreading their illegal activities with the arrests of their members including the leader, Warman.

"These actions really mar Islam and the Muslim people and therefore I do not want to mix Islam in this matter," the general said and added that he would prefer to call it "Warman terror action."

The general's statement was seen here as a sign of the military intention of not exaggerating the case as it could give the impression that the hard fought national stability and security were in trouble, observers said.

Military leaders believed that the movement involved only a small group of Muslims who were disappointed over the current political situation, they said.

The smashing of the movement proved that President Suharto would not tolerate, at any costs, any efforts by any groups to undermine his authority, the observers said.

But, they said they were of the opinion that the playing down of the successful crackdown by the military could be intended not to shock the Indonesian Muslim world, particularly the United Muslim Party (PPP).

The military yesterday released a total of 185 people, who had been detained since last January for alleged complicity in the movement.

Those released were 105 in Jakarta, 38 in West Java, 19 in Central Java and 23 in East Java.

A total of 115 are still being held.

The Jakarta newspaper KOMPAS quoted General Sujono and the East Java military commander, Major Gen Witarmin, as underlining the close links between the Muslims and the communists in the movement.

The organizations and methods used by the Muslims were the same as those used by the communists, the two generals were quoted as saying.

CSO: 4220

INDONESIA

INDONESIAN PAPER DISTURBED BY CHINESE DOMINATION OF ECONOMY

Hong Kong AFP in English 0405 GMT 20 Jun 79 BK

[Text] Jakarta, 20 Jun (AFP)—The leading Indonesian newspaper MERDEKA (freedom) today strongly criticised the government's economic policy saying that it had caused the Chinese in the country to dominate the nation's economy.

A new class has emerged in Indonesia and that is "cukong" (financier), the paper said in an editorial.

"This new class has been developing so prosperously in our country as a result of the government economic policy made by the technocrats. Indonesia's of Chinese origin who hold 90 percent of the country's economy are just a minority which has no executive power in the government.

"The world wonders how that little minority can control the Indonesian economy. This group holds the breath of the 135 million indigenous Indonesians which is the absolute majority. These Chinese had become the bridge between the Dutch rulers and the indigenous during the Dutch colonial time. The Dutch let the Chinese take all the important posts and the better economic positions. However during Sukarno's time they lost their tricks because he banned them from operating in rural areas.

"But the Chinese got another gold chance again after Sukarno's guided economy was changed with liberal economy of the present government," the paper said.

The paper said the Chinese easily managed to regain control of the economy in less than a decade.

Government officials easily gave credits to the Chinese because, they said, the Chinese were experts in business without rivals, the paper said.

"This assumption is making the small businessmen, indigenous, plunge into a swamp of disorder so that they are unable to stand up. The discriminations between the rich and the poor are becoming more obvious day by day.

"The national sentiments of the indigenous people, if confronted with the Chinese, often caused trouble such as the racial incidents in Bandung, West Java, in 1973.

"The Chinese will not listen to or abide by any government's appeal, and therefore we suggest that President Suharto should issue an instruction that must be carried out by those who collaborate with the Chinese."

CSO: 4220

INTENSIFIED PRESSURE ON THE INDONESIAN ECONOMY

Kuala Lumpur BUSINESS TIMES in English 26 May 79 p 6

[Article by David Housego]

[Text]

A COUNTRY of immense natural resources, the only major oil producer in South East Asia, a market of 132m in one of the fastest growing regions in the world — there has never been a lack of impressively ringing phrases to describe Indonesia's potential. But performance, at least since the war, has never quite lived up to the usually exaggerated expectations that foreigners in particular, but Indonesians as well, have had of the country.

The neglect of the economy under former President Sukarno and his emphasis on prestige works and the leadership of the non-aligned resulted in an annual inflation rate of 650 per cent by 1966 when he was removed from power.

In the early 1970s Indonesia was caught up in the speculative fever that followed first the oil boom and then the fourfold increase in oil prices. It was not only Ibm Sutowo, the once flamboyant head of the state oil-concern, Pertamina, which collapsed under US\$10bn of outstanding debt, and the foreign adventurers around him sustaining his costly dreams for the expansion of Pertamina, who were misled by the extent of the country's wealth.

The former Minister for Research Mr Sumitro Djojohadikusumo, in his influential book *"Indonesia to the year 2000"* also picked out in 1975 the leading growth sectors of the future as being in the capital-intensive, extractive industries — oil, minerals and timber. Since then, new mining investment has virtually dried up and many of the large capital-intensive projects, such as the Krakatau steel plant or the Asahan aluminium smelter, hold out little hope of producing sufficient spin-off in terms of new jobs or additions to the national income.

In the wake of these disappointments Indonesia is now having to make a further adjustment — one which has caught up with it sooner than it has with most other Opec producers — of having to reduce its dependence on oil as one of the major boosts to economic growth.

Production dropped marginally last year to 1.8m barrels a day and is expected to decline by a further 5 per cent this year. The pace of new exploration is insufficient to offset the depletion of existing reservoirs. Domestic consumption, rising at 12 per cent a year, is further reducing the exportable surplus.

Since 1973 oil has accounted for about 55 per cent of Government receipts and of foreign exchange earnings. The government's dollar earnings from oil, after expanding at an annual average of 66 per cent in the five years up to 1977-78, rose only by 6 per cent last year and were projected to rise in the budget for 1979-80 by 4.5 per cent.

The recent Opec price increase will add more, but it is on such windfalls or the chance discovery of a medium-size field that the Government must now depend if revenues are to rise in real terms.

President Suharto's regime has increasingly been aware of the writing on the wall. The official priorities of the new five-year plan launched in April (Repelita III), and roughly coinciding with the President's third term in office, are on the traditional agricultural sector and the development of labour intensive industries — garments, electronics, the processing of rubber, timber and agricultural products — on which other South-East Asian states have forged the growth of their manufactured exports.

In November in an uncharacteristically bold

gamble for a regime so acutely aware of the political dangers of high inflation, the Government announced a 33.6 per cent devaluation of the rupiah. This measure was part of the same strategy of attempting to achieve a fundamental shift in the economy towards increasing the competitiveness of non-oil exports and of reducing unemployment through reinvigorating the agricultural sector

and labour intensive industries.

The fixed parity with the dollar which had remained unchanged since 1971 was abandoned and the currency allowed to float at an initial parity of Rp 625 to the US\$ as against the former parity of Rp 415 to the US\$ — amounting to a 60 per cent increase in the number of rupiahs to the dollar.

The devaluation and the new plan initiate a period as critical in many ways as the post-Sukarno era when there was also a shift towards a more open economy and greater encouragement to private investment. They also represent a more realistic appraisal of Indonesia's potential and of a readiness to come to terms with its lengthy backlog of problems — of a country increasingly unable

to feed itself, of a population likely to grow to 210m by the end of the century, of high unemployment — that were pushed into the background by the illusion of oil wealth.

The devaluation was strongly criticised in Jakarta for being far too large for the economy to digest and for the clumsiness with which it was implemented. Some measure of devaluation was almost inevitable.

With export receipts flattening out and imports still sharply rising, the current account deficit widened by 70 per cent in 1978-79 to US\$1.2bn. The timing was dictated by the growing pressure on the balance of payments as reflected in the month-to-month decline last year in the net addition to the reserves. As the pressure grew the Government feared both a worsening current account deficit and a speculative run on the currency.

The argument behind such a large measure was that it would restore to domestic producers the relative price advantage that they had lost to importers between 1971-78. As a result of the unchanged parity of the currency since 1971 combined with a rate of inflation precipitated by the oil boom that over the period ran well in excess of that of Indonesia's trading partners, the rupiah by November had become heavily overvalued.

This in turn gave a boost to imports and import-related industries (in the private sector the host of inefficient assembly plants that sprung up around Jakarta, manufacturing vehicles and household goods from largely imported components) while squeezing the competitiveness of non-oil exports and of domestically manufactured products with a high local content.

Between 1971 and October, 1978, producer

costs in Indonesia had risen about 60 per cent more than the increase in import prices.

Beyond the widespread scepticism as to whether the devaluation would achieve its main goals, the immediate effect of such shock treatment was a wave of confusion and uncertainty that is by no means over. Private sector off-shore foreign currency borrowing by November was believed to have reached about US\$4-10bn meaning that the private sector took an overnight loss on the devaluation of US\$2-3bn.

Inflation has climbed to over 20 per cent on an annual basis with no certainty as to where prices will settle down. Labour is agitating for higher wages and pitching its demands in line with its inflationary expectations.

The jolt to the economy will almost certainly result in a short-term slowdown in the growth rate. Inevitably the devaluation has brought a sharp and arbitrary redistribution of wealth — threatening a revival of communal tensions as the winners are seen to be the Chinese community who dominate trade and industry.

The army commanders were angry at not being consulted in a measure with such large political ramifications and have had their confidence shaken in the group of technocrat Ministers led by Professor Widjojo Nitisastro, Coordinating Minister for Economic Financial and Industrial Affairs to whom they have entrusted the management of the economy over the last 13 years. But popular grumblings have not yet been transferred into overt unrest. Nonetheless the five-year plan has got off to a shaky start.

The plan aims at an annual growth rate of 6.5 per cent which is marginally below the 7.5 per cent achieved over the last five years. These high rates were achieved

mainly through a combination of heavy public investment and favourable oil and commodity prices. But volume increases in output of major agricultural cash and food crops — rubber, copra, maize, cassava (tapioca), groundnuts and soyabenas — have been insignificant.

An exception has been rice where there has been a more encouraging growth in production over the last decade of 3.5 per cent a year. This has not however kept pace with the growth in consumption so that imports of 2-3m tons a year are likely to be needed by the early 1980s — frighteningly the equivalent to a third of the world's trade in rice.

But even the 6.5 per cent growth target for the coming five years may be difficult to achieve unless there are continuing strong favourable shifts in commodity prices. After the rapid increase in Government revenues up to 1977 which provided a major stimulus to public investment and growth, there is unlikely to be a rise of more than 2-3 per cent a year in real terms after 1979/80 according to the World Bank unless there is a drastic improvement in the amount of taxation raised from domestic sources. Indonesia has a poor record on this score.

Much of the development budget is already committed to existing large-scale projects meaning that there may have to be cuts in new programmes. On the plus side there is a substantial unspent surplus from previous budgets and a pipeline of as much as US\$4bn in committed but unspent aid. The Government has also gained a boost to its rupiah revenues through the devaluation though it is holding back from spending these to prevent further inflation.

Apart from the financial constraints on further public sector in-

vestment is the serious hurdle of the limited capacity of the bureaucracy to handle a large development budget. In response to complaints by donor nations that their funds are not being spent, the Government has promised a faster rate of project implementation which in turn would lead to faster growth.

But in spite of some moves towards decentralisation the bureaucracy is overloaded, inefficient in its procedures, understaffed and underpaid.

All this means that the Government is increasingly looking to the private sector to make good some of the shortfalls in public sector outlays. The response so far has not been encouraging. Though the devaluation has created a significant price advantage for labour-intensive industries and for the agricultural sector, this has not yet offset the deterrent to most foreign and local investors of the cat's cradle of licensing and customs procedures that can take a year or two to complete before a new venture gets off the ground.

The Government has promised to simplify investment procedures. But the longer the delay the more the risk that the rise in costs caused by the devaluation will work its way through the economy with the result that the once-and-for-all benefit of the devaluation will have been lost.

Against this distinctly bleaker outlook for President Suharto's third term, are the gains to agricultural production that should emerge over the longer term from the substantial investment in recent years in rural infrastructure (canals, roads and electrification). In spite of the threat to stability, Indonesia is also a far more quiescent country and less open to subversion than some of its neighbours. — FT.

DEATH OF RICE SELF-SUFFICIENCY HAS FADED

Kuala Lumpur BUSINESS TIMES in English 26 May 79 p 5

[Article by Kenneth Whiting in Jakarta]

[Text]

INDONESIA'S dream of growing enough rice to feed its 140 million people has faded.

Experts say the once-sacred national goal of self-sufficiency in the 1990s can't be achieved. Political leaders now tend to talk generally of food crop or carbohydrate self-sufficiency rather than harvesting enough rice alone.

Even bumper crops apparently can't solve the problem. Last year's record domestic harvest of 17.6 million tons, grown under ideal conditions, had to be supplemented with 1.8 million tons of imported rice.

Agricultural economists expect a fair to good yield in 1979 with a crop forecast at 16.7 million to 17.3 million tons. But another 1.75 million to 2 million tons is likely to be imported, they said.

Insect and rodent damage contribute to the problem. Officials confirmed on May 8 that more than 70,000 people faced famine after rats ravaged their rice fields on eastern Sumba Island, about 1,500 kilometres east of Jakarta.

More than a million acres of rice are lost most years to a fast moving bug known as the brown planthopper or

wereng. The "Green Revolution" in the form of new varieties of high yield strains of rice and improved fertilisers helped increase harvests in the last decade, but the wereng feasts on the new types of rice and seems immune to some insecticides.

Increasingly sophisticated eating habits play a part in reducing the rice crops. One official said more frogs and snakes, which help keep insects under control, are being consumed by city dwellers as frogs legs and snake soup.

Food crops account for about 60 per cent of total farm production. Staples vary from island to island with rice, the predominant favourite, providing about half the country's dietary food value.

The Bureau of Logistics, called "Bulog," controls rice distribution, maintains national stockpiles and stabilises market prices. Regulations require that at least 800,000 tons be stored for emergencies.

A Bulog spokesman said on Wednesday its warehouses contained 900,000 tons at the end of April.

Pitted against generally encouraging predictions of better crops in coming years is the forecast of increased consumption by an expand-

ing population. Annual rice consumption was about 220 pounds a person in 1960. It now averages 270 pounds a person.

A recent World Bank analysis said the world's fifth most populous country is unlikely to produce enough of all kinds of food to feed itself within the next 10 years. The study was prepared for last month's meeting of the Inter-Governmental Group on Indonesia, a 14-nation consortium which provides Jakarta with financial support.

It concluded that Indonesia would face food deficits at least through 1990.

"The challenge of the next decade will be to formulate policies that increase production, while at the same time achieving a more equitable balance of government investment and increasing food con-

sumption for the poorer classes," the report said.

The study predicted demand for all types of staple foods would increase about 3.5 per cent a year. It projected the demand for rice would grow somewhere between 3.5 per cent and 4.1 per cent a year, involving a production deficit of 1.5 million to 2.5 million tons a year through 1985 and 2 million tons a year thereafter.

The World Bank report included six key crops: Rice, corn, soya-beans, peanuts, sweet potatoes and cassava. The study forecast an increase in domestic food production of 3.3 per cent a year through 1985 and 3.6 per cent a year from then to 1990.

It suggested as much as 5 million hectares (12,588,000 acres) of additional land could be used for irrigated farming in the sprawling archipelago outside crowded Java. Another 14.3 million less promising hectares were available for dry farming.

"It is apparent there is no shortage of available land for crop production. On the other hand, the fertility of the additional land is lower than land presently used for producing food crops," it said.

The World Bank recommended that Indonesia protect itself against fluctuating prices of imported foods by boosting domestic production.

"This will involve not only new investment to support continued food crop production, but also new price policies, more rapid development of new technology suited to Indonesian conditions, institutional development and new perspectives on trade policies." — AP.

BRIGHT FUTURE FOR UREA FERTILIZER PRODUCTION

Kuala Lumpur BUSINESS TIMES in English 29 May 79 p 17

[Article by Paul Zach in Jakarta]

[Text]

INDONESIA, the world's fifth most populous nation, has emerged as a major Southeast Asian fertiliser producer and is expected to export some 500,000 tonnes of urea this year.

But only until three years ago Indonesia was a large importer of fertilisers badly-needed for boosting the country's rice production to feed 140 million people.

The state-owned P.T. Pupuk Sriwijaya (Pusri), responsible for domestic and international sales of Indonesian fertiliser, is obviously pleased with the future outlook.

"The future looks bright with domestic demand increasing only gradually while capacity soars," Pusri's president-director Brigadier-General Hassan Kasim said.

"Up to now we have been floating on the income from oil exports. Now that oil production is declining, we cannot depend on it much longer. So we have to look for other sources of income," he said.

And fertiliser exports appear to have the potential of becoming a major

money-spinner as orders pour in from several Asian countries, providing the much-needed foreign exchange.

The fertiliser boom has been attributed to the availability of low cost feedstock. As one of the major oil exporting countries, Indonesia is not dependent on importing expensive oil or gas used in urea manufacture.

Brigadier-General Kasim said exports were profitable in spite of high transportation cost because of good international prices.

But four years ago the Indonesian fertiliser scene looked much less exciting with total production at 522,000 tonnes.

The United States Department of Agriculture has estimated the output will reach nearly 1.15 million tonnes this year with the domestic demand unlikely to exceed 1.4 million tonnes.

Indonesia's biggest customer is neighbouring Philippines which imported 153,000 tonnes last year and is expected to buy 180,000 tonnes this year.

This month Pusri will begin shipment of a 145,700 tonne order from

Pakistan. India has opened a letter of intent for 150,000 tonnes.

New Zealand, Australia, Sri Lanka and Bangladesh are also potential customers for the Indonesian urea.

Plans are being drawn for financing a US\$213 million urea plant at Aceh, North Sumatra, one of five complementary industrial projects. The plant will increase Indonesian production capacity by 570,000 tonnes.

It is expected to utilise "revolutionary techniques" in transformation of natural gas from the Arun offshore fields into urea. The bulk of the plant's cost of US\$219 million will come from credits promised by the Japanese government.

Another contract was signed early this year for constructing a similar plant in East Kalimantan (Borneo) at a cost of US\$170 million. It will have a total annual production capacity of 570,000 tonnes of urea and 495,000 tonnes of ammonia per year.

With a wharf capable of mooring ships of up to 40,000 dwt and a conveyor belt capacity of 1,000 mts per hour the

East Kalimantan plant is expected to be tailored for export.

A U.S. Department of Agriculture report has estimated that Indonesia's fertiliser production capacity has been increasing at the rate of 570,000 tonnes every year since 1974. Perhaps even more remarkable the report said was the fact that the plants have reached 90 per cent of their capacity in just over a year.

The increasing production has created storage problems and Pusri plans to build more warehouses or rent space if necessary.

The increased availability of fertilisers has also helped Indonesia raise its rice production.

It harvested a record crop of 17.7 million tonnes in 1977 and the fertiliser boom also brought in more foreign exchange.

Brigadier General Kasim said: "Urea exports will provide an additional source of foreign currency. And not only will it help us increasing production provide enough food for our people but it will provide more jobs as well. — Reuter.

INDONESIA

BRIEFS

NEW SUDANESE AMBASSADOR--Indonesia has approved the appointment of Ibrahim Taha Ayyub as the new Sudanese ambassador extraordinary and plenipotentiary to Indonesia. He will make his residence in New Delhi, India. [Jakarta Domestic Service in Indonesian 1200 GMT 25 Jun 79 BK]

MAGAZINE BAN--The minister of information in his letter of decision dated 25 June 1979 has revoked the publication permit of the Jakarta-based monthly magazine MATAHARI. The decision prohibited the publication, printing and distribution of the magazine on grounds that the magazine in its 15th and 16th editions of May and June 1979 carried articles which are against the norms of civilization and the Indonesian national identity. In its articles the magazine has launched social criticism which was not in line with the provisions as defined in the state basic policies. [Jakarta Domestic Service in Indonesian 1200 GMT 26 Jun 79 BK]

AUSTRALIAN AID FOR REFUGEES--The Australian foreign minister and minister for immigration and ethnic affairs have announced an Australian \$4.5 million aid for relief of Indochinese refugees. Indonesia, Malaysia and Thailand will receive Australian \$1 million each, the Philippines A\$300,000, and the UNHCR, A\$1.2 million. [Jakarta Domestic Service in Indonesian 1500 GMT 27 Jun 79 BK]

REFUGEES IN RIAU ARCHIPELAGO--During a stop-over at Tanjungpinang, Riau Archipelago, on 26 June, Defense Minister Jusuf was told by local officials that there were 42,273 Vietnamese refugees in the area, mainly located on Bintan, Jemaja and Siantan islands. He was also told that the suitability study on a refugee processing center on Galang Island would be completed soon. [Jakarta Domestic Service in Indonesian 1200 GMT 27 Jun 79 BK]

FERTILITY RATE DECLINE--An official of the National Family Planning Coordination Board said in Banjarmasin on 26 June that the fertility rate in Indonesia stood at 5.3 in 1971, going down to 3.8 at the end of the first quarter of 1979. [Jakarta Domestic Service in Indonesian 2300 GMT 27 Jun 79 BK]

DUTCH ASSISTANCE AGREEMENT--Representatives of Indonesian and Dutch governments signed a 150 million Dutch guilders financial and technical assistance agreement in Jakarta on 28 June, covering the 1979-80 fiscal year period. The agreement is part of the IGGI aid program. The loan carries a 2.5 percent annual interest for a period of 12 years, including an 8-year grace period. It will be used for electricity projects, repair of hospitals and construction of drinking water, irrigation and other development projects in a number of provinces. [Jakarta Domestic Service in Indonesian 1500 GMT 28 Jun 79 BK]

JAPANESE LOAN FOR UREA PLANT--Following the ASEAN-Japan behind-closed-door discussions [in Bali] today, a draft agreement on Japanese financial assistance for the construction of an ASEAN urea plant in Indonesia was signed. The draft agreement was signed by Japanese Ambassador to Indonesia Hidemichi Kira and the director general of economic, social and cultural relations, Indonesian Foreign Affairs Department, Gusti Rusli Noor. The urea plant, to be built in North Aceh, will have a capacity of 500,000 tons of urea and 300,000 tons of ammonia a year. The plant, which is expected to be operational in 1982, will cost an estimated \$300 million, of which Japan will supply \$200 million in the form of soft and commercial loan. [Excerpt] [Jakarta Domestic Service in Indonesian 1200 GMT 2 Jul 79 BK]

MALAYSIAN BROADCAST ON ASIAN PACT--Radio Suara Malaysia [Kuala Lumpur International Service], quoting local diplomatic circles, says that the Southeast Asian Collective Pact, which was signed 25 years ago, has again become a topic of discussion in view of the fear of a Vietnamese attack on Thailand. According to diplomatic circles, the Southeast Asian Collective Pact, which was concluded in September 1954, can be applied if the Thai border is violated by Vietnamese troops currently deployed in Cambodia. Meanwhile, Hanoi said today that talk of the existence of a Vietnamese military threat against Thailand was baseless. The Vietnamese foreign minister [as heard] said in Bangkok that he was surprised at and regretted a statement by Thai Foreign Minister Uppadit Pachariyangkun' on 28 June about possible Vietnamese aggression against Thailand. [Text] [Jakarta Domestic Service in Indonesian 1200 GMT 3 Jul 79 BK]

SINGAPORE OIL EXECUTIVE'S VISIT--President Suharto this afternoon received the chairman of the board of commissioners of the Singapore Petroleum Company, (Tan Boon Tek), at Bina Graha. Pertamina President-Director Piet Harjono, who was present at the meeting, told newsmen that the purpose of the Singapore oil executive's visit is to discuss a plan for processing Indonesian crude oil which cannot be processed in Indonesia. He said so far Indonesia-Singapore oil cooperation has been indirect, that is, between private companies. [Text] [Jakarta Domestic Service in Indonesian 0700 GMT 5 Jul 79 BK]

SATELLITE EARTH STATION--Luwuk, Central Sulawesi, 21 Jun (ANTARA)--The mini earth station in Luwuk, capital of Banggai Regency, Central Sulawesi, has started operations smoothly. The regent of Banggai M. Malaga said during a trial and inspection of the project he managed to make a telephonic contact with Jakarta, Palu, and other cities. The functioning of the earth station has also enabled the population of Luwuk and surrounding areas to enjoy television broadcasts. Some RP 9 million will be required to develop the television broadcast to enable more people in the region to enjoy it. [Jakarta ANTARA in English 0752 GMT 21 Jun 79 BK]

AMBIASSADOR TO KENYA--Jakarta, 2 Jul (ANTARA)--The government of the Republic of Kenya has approved the appointment of Mohammad Sabir as Indonesian ambassador plenipotentiary to the Republic of Kenya. In a statement Monday [2 July] the Directorate of Information of the Foreign Ministry said Mohammad Sabir is now Indonesian ambassador for the United Republic of Tanzania and Zambia. [Excerpt] [Jakarta ANTARA in English 1007 GMT 2 Jul 79 BK]

SWISS TECHNICAL AGREEMENT--Jakarta, 5 Jul (ANTARA)--Indonesia's Director General for Higher Education Prof Doddy Tisnaamidjaja and Swiss Ambassador to Indonesia Roland Wermuth, respectively on behalf of the Indonesian and Swiss governments, signed the third phase technical agreement between the two countries here on 4 July. The newly signed technical agreement deals with the handling project of mechanical polytechnique in the Bandungs Institute of Technology. [Excerpt] [Jakarta ANTARA in English 0707 GMT 2 Jul 79 BK]

POPULATION FIGURES--Yugyakarta, 5 Jul (ANTARA)--Indonesia's population is estimated to reach 150.9 million at the end of 1983, while the total was put at 136.6 million at the close of last year. Health Minister and Chairman of the Central Planned Parenthood Coordinating Board Dr Suwardjono Surjaningrat, in a written address to a family planning and population conference here this week, said that the increase would pose a difficult problem of food supply, education, housing, health and employment. He stressed that the population increase constituted a fairly rapid rise compared with the figures in previous years, namely 60.1 million in 1930, 97 million in 1961 and 120 million in 1971. The important factor determining the magnitude of population problem being faced by the country is the high rate of population growth--around 2 percent per annum. [Jakarta ANTARA in English 0711 GMT 5 Jul 79 BK]

FOUR NEW AMBASSADORS--President Suharto has said that the implementation of our foreign policy is nothing more than an implementation of our efforts abroad to attain our national objectives. For this reason, the foundation of our foreign policy, whether strong or weak, will be decided by conditions at home. This was stated by the head of state when he installed four new Indonesian ambassadors at the State Palace in Jakarta this morning. The four ambassadors are: Saijidiman Surjohadiprodjo for Japan; Aboul Rahman Secowibowo for Finland; Sagiri Kartanegara for Iraq and R. Djindjunan Kusumaatmadja for North Korea. [Jakarta Domestic Service in Indonesian 0700 GMT 23 Jun 79 BK]

ROMANIAN AMBASSADOR FAREWELL—President Suharto on 18 June received Romanian ambassador to Indonesia Teodor Dituлесcu at the Bina Graha building. The ambassador came to bid farewell to the president in connect with the completion of his assignment in Indonesia. The president presented the ambassador with a silver tea set as a souvenir. [Jakarta Domestic Service in Indonesian 1200 GMT 18 Jun 79 BK]

NEW AFGHAN AMBASSADOR—The new ambassador of the Democratic Republic of Afghanistan, Prof Mohammad Ahsan Rostamal, presented his letter of credentials to President Suharto at the Merdeka Palace in Jakarta on 23 June. In his address, the Afghan ambassador said that the Afghan Government and people wish to strengthen cooperation with the Indonesian Government and people. In his response, President Suharto assured the ambassador that Indonesian Government officials will give him assistance during his assignment in Indonesia. [Jakarta Domestic Service in Indonesian 0700 GMT 23 Jun 79 BK]

RICE IMPORTS—Ujungpandang, 14 Jun (ANTARA)—Rice imports will continue as long as domestic rice production has not been evenly spread over various regions in the country, chief of the Logistics Board (BULOG) Bustanil Arifin said here 12 June. He disclosed that several regions in Indonesia has not succeeded in producing sufficient rice for their own consumption, so that they had to be supplied by other producing areas or by imported rice. Among the areas referred to by the BULOG chief are Irian Jaya, East Nusatenggara, Kalimantan, North Sumatra, South Sumatra and West Sumatra. However, the rice imports which in 1961 reached one million tons have since the beginning of the new order been reduced year after year. The imports only increased considerably in 1977 when the country was plagued by a long dry spell. [Excerpt] [Jakarta ANTARA in English 0707 GMT 14 Jun 79 BK]

FUEL OIL IMPORTS—Jakarta, 14 Jun (ANTARA)—Indonesia's fuel oil imports from 1 January to 31 March this year reached 935,600 barrels, up by around 15.3 percent compared with those during the same period last year. The Pertamina management disclosed this before the House Commission VI (handling industries, mines and investments) here 12 June. Indonesia imported 6,103,900 barrels of fuel oil last year, and the import is estimated to rise to around 7,039,500 barrels this year. Fuel oil is imported from Kuwait and Singapore. If the development of domestic oil consumption runs in accordance with the normal pattern, Indonesia will need around 20.4 billion liters of fuel oil this year, comprising 7,133 million liters of kerosene, 3,299 liters of premium gasoline, 6,023 million liters of automotive diesel oil, 1,147 million liters of industrial diesel oil, 2,291 million liters of residual oil, 141 million liters of super gasoline, 423 million liters of avtur and 20.2 million liters of avigas. [Excerpt] [Jakarta ANTARA in English 0725 GMT 14 Jun 79 BK]

REFUGEE AFFAIRS—Jakarta, 21 Jun (ANTARA)—Coordination of Indochinese refugee affairs in Indonesia after 1 July 1979 will be made by the minister for security and defence. Aspects regarding foreign affairs, however, will still be tackled by the minister for foreign affairs. This was stated here Wednesday [20 June] by Foreign Minister Mochtar Kusumaatmadja in a written statement concerning the latest development in efforts to solve the Indochinese refugee problem. [Excerpt] [Jakarta ANTARA in English 0704 GMT 21 Jun 79 BK]

'MATAHARI' MAGAZINE CLOSED--Jakarta 27 Jun (ANTARA)--The minister of information has revoked the publication licence of MATAHARI monthly magazine in Jakarta for violation of the press law, the codes of ethics of journalism and the decision of the press council on press development. The information minister's decree on the revocation, effective as from 25 June 1979, covers the ban on the publication, printing and distribution of the magazine, which is published by Pi Karna Putri. The measure has been taken because the magazine, in its articles in No 16 and 17 editions (issued in May and June) makes use of words which go beyond the limits of decency and are full of cynicism, thus failing to conform to the national identity. The words of insult launched by the articles are leading to slanders against government officials and playing off one group in society against another. Hence, either this is done on purpose or by chance, the articles are considered to be intended to create a climate which is not conducive to a smooth process of development, even a situation of conflict between the existing groups in society and an attitude of hatred toward government leaders. [Text] [Jakarta ANTARA in English 0716 GMT 27 Jun 79 BK]

REFUGEE INFLUX A SRV STRATEGY--Jakarta, 29 Jun (ANTARA)--The Army Chief of Staff General Widodo Thursday charged Vietnam with deliberately organising the large exodus of its people to outside its territory. It is not correct to categorise these people as refugees because, in fact, they were sent out legally by their government. Obviously, he stressed, it has been part of political and security strategy of a certain country. He did not name the country. Widodo was briefing military officers in Tanjung Pinang Riau Isles, after inspecting a Vietnamese refugee camp at Air Raja in the region. According to Widodo, most of the refugees at the Arumba camp were ex-service-men. He suggested that registration be made to facilitate investigation of their background, because, he said, it was feared that they were sent here deliberately for certain purposes disguised as refugees. The armed forces joint operation of Halilintar, which he said, was designed to stamp out smuggling from the region and block illegal entry of refugees to the Indonesian territory, should be bolstered with real strength, he said. Since January this year the region has housed more than 42,000 refugees spread in various areas of the island province. [Excerpts] [Jakarta ANTARA in English 0727 GMT 29 Jun 79 BK]

SOVIETS RE REFUGEES--Medan, 30 Jun (ANTARA)--Soviet Ambassador to Indonesia Ivan F. Shpedko expressed confidence here today that the Indonesian Government will be able to solve the problem caused by the influx of Indochinese refugees to its territory. When asked whether his government was willing to receive refugees from Vietnam the ambassador said they (the refugees) do not ask the Soviet Union to accommodate them. He said the Vietnamese Government did not bar the refugees from leaving the country because, in fact, he added, they did not recognize the authorities in the country. On the other hand, he said, the Vietnamese Government did not force them to leave the country because in fact Vietnam needed manpower to man its economic development program which had been destroyed by the last war. The Soviet ambassador

said further that the agreement reached by his government and the United States in the SALT treaty would serve to maintain peace in the world including in this region. The agreement, he said, would slow down the arms race and save a lot of funds from being wasted for that sector. This, he added, would enable countries to use their money to fund other fruitful sectors for the welfare of mankind. [Text] [Jakarta ANTARA in English 0707 GMT 30 Jun 79 BK]

TERRORISTS OUSTED FROM BALI—Jakarta, 3 Jul (AFP)—Four Japanese suspected of being "Red Army" agents or associated with the terrorist band were recently ordered by immigration officers in Denpasar, Bali, to leave immediately. The Japanese Consul in Surabaya had some time ago distributed photographs of Japanese Red Army terrorists believed on the move and planning some major mischief, and Indonesian law enforcement agencies had been put on a nationwide alert for them on the eve of ASEAN foreign ministers' twelfth meeting in Bali. The security officer said the event took place just before the start of the foreign ministers meeting. The four, including one woman who was without a visa, had already passed checks and were about to leave, when (?they were summoned) back by suspicious officers, the report said, quoting an immigration official who personally supervised their final exit. [Text] [Hong Kong AFP in English 1505 GMT 3 Jul 79 BK]

SUHARTO VISITS SEA COUNTRIES—President Suharto will visit the Philippines in July to hold talks with President Ferdinand Marcos. He is also scheduled to visit Bangladesh and India after the Ramadhan fasting month [ending on or about 24 August]. This was disclosed by Minister-State Secretary Sudharmono in Jakarta today. [Text] [Jakarta Domestic Service in Indonesian 1200 GMT 27 Jun 79 BK]

CSO: 4213

VODK CLAIMS BATTLEFIELD SUCCESSES

SRV Casualties Reported

Voice of Democratic Kampuchea (Clandestine) in Cambodian to Kampuchea
2330 GMT 8 Jul 79 BK

[Text] Our heroic guerrillas and people persistently implement the line of guerrilla war and guerrilla tactics with a high sense of creativity and on the stand of independence and self-reliance, using a blend of primitive and modern weapons in attacks against the Vietnamese enemy everywhere.

The Kratie Battlefield:

On 26 June our guerrillas ambushed the Vietnamese between Sandan and Sambo, setting a vehicle ablaze and killing or wounding 22 Vietnamese troops. On the same day, a Vietnamese vehicle leaving Kratie town for Snuol on Route 7 hit one of our guerrillas' mines and exploded; 15 Vietnamese troops on board were killed. On 27 June we ambushed the Vietnamese enemy east of Sandan, killing five; the survivors fled in disorder and fell into our traps, suffering eight other casualties.

The Kompong Cham-Kompong Thom Battlefield:

Baray District: On 20 June we attacked the Vietnamese enemy aggressors north of Veal Thom, killing three and wounding five. The survivors fell into our traps, suffering eight other casualties. On 21 June we attacked the Vietnamese enemy at (Sre Tiep), killing two and wounding three. On 22 June the Vietnamese troops sallying out of Bak Sna hit our mines, suffering six killed or wounded. Also on 22 June we ambushed the Vietnamese west of Ta Prok, killing two and wounding three. The survivors fell into our Punji pitfalls and five of them were killed by our automatic bows.

Stoeng Trang District: On 17 June we attacked the Vietnamese enemy at Phum Samroadng, killing two and wounding four. On 19 June a Vietnamese truck

hit one of our mines and exploded on the road [words indistinct]. Ten Vietnamese troops on board were killed. On 20 June we attacked the Vietnamese enemy at Phum Kon Kak, killing three and wounding five. On the same day we attacked them west of Tuol Sambuor, killing one and wounding two. Six other Vietnamese troops who fell into our traps were killed or wounded. On 22 June we attacked the Vietnamese enemy near O Trang, killing six and wounding five. We seized two ak's and some ammunition.

In sum, on these battlefields, we put out of action 131 enemy troops and destroyed 3 military vehicles.

PAVN Pinned Down

Voice of Democratic Kampuchea (Clandestine) in Cambodian to Kampuchea
2330 GMT 7 Jul 79 BK

[Text] Our guerrillas and people continue to intensify guerrilla activities more vigorously in all areas, attacking and engaging the enemy day and night and sapping and crushing enemy forces every day. The Vietnamese enemy aggressors have become confused and panic-stricken and have been pinned down to their positions.

The Kratie Battlefield:

On 23 June we launched a surprise attack on the Vietnamese enemy troops at Phum Thmar Kre, killing seven, capturing alive another and wounding five. We seized three ak's, one AR-15 and one drum-magazine gun.

The Kompong Thom Battlefield:

The Sandan District--On 21 June 23 we attacked the Vietnamese troops at a position between O Thom and Komrieng, killing three and wounding two others.

The Battambang Battlefield:

The Battambang Front--On the night of 22 June we launched a commando attack on the Vietnamese troops at (Svor Kram) Monastery along the Sangke River 2 km from Battambang Town, killing 13 and seriously wounding 5. We seized three B-40's, two ak's and a large quantity of ammunition. On 22 June we attacked the Vietnamese troops at Phnum Veay Chap, killing 15 and wounding many others. We seized two 60-mm mortars, four B-40's, two ak's and a large quantity of war materiel. On 1 July the Vietnamese troops sallying out of Phnum Koy to Komrieng ran into our ambush, suffering nine killed and seven wounded. On 2 July we attacked the Vietnamese troops east of Komrieng, killing two and wounding four.

The Pailin Front--On 2 July we attacked the Vietnamese troops west of Pailin, killing two and wounding a number of others. The survivors fled back to their position. Also on 2 July we attacked the Vietnamese troops at a location between Phnum Koy and Sala Krav, killing five, wounding

some others and seizing four ak's and a quantity of ammunition. On 3 July we ambushed a Vietnamese motorcycle moving along Route 10, killing two Vietnamese troops.

The Oddar Meanchey Battlefield:

Ampil District--On 26 June the Vietnamese troops moving from Phum Kouk Mon to Phum Salem were ambushed and suffered one killed and two wounded. On 26 June the Vietnamese troops sallying out of Phum Soeng toward Phum Ta Leum ran into our ambush. They suffered three killed and two wounded. On 28 June the Vietnamese troops moving from Phum Soeng to Baray were attacked and suffered two killed and three wounded. On 20 June, a Vietnamese company moving from Kouk Mon ran over our guerrilla landmine south of (Boeng Ph'av), suffering five killed or wounded. We defused 115 enemy landmines.

Samraong District--On 22 June at (Chhak) we set ablaze an enemy vehicle and killed 12 Vietnamese troops. On 23 June we attacked the Vietnamese troops at Lbeauk, killing six and wounding six. On 27 June we attacked the Vietnamese troops at Phum (Bos), killing two and wounding three. Also on 27 June we attacked the Vietnamese troops at Chheu Kram, killing one and wounding three. On 30 June we again attacked the Vietnamese troops at Chheu Kram, killing 20 and destroying a vehicle.

In sum, on all these battlefronts we put out of action 143 enemy troops, destroyed military trucks and a motorcycle and seized 27 assorted weapons and a large quantity of ammunition and other war materiel.

20-24 June Reports

Voice of Democratic Kampuchea (Clandestine) in Cambodian to Kampuchea
2400 GMT 7 Jul 79 BK

[Text] Because they are well aware of the line of guerrilla warfare and clearly grasp our guerrilla tactics, our heroic guerrilla units and people are developing primitive weapons for use in combination with modern weapons in attacking and dealing blows to the Vietnamese aggressors. Moreover, by intensifying guerrilla attacks against the Vietnamese aggressors, they have been able to inflict daily losses on enemy manpower, protecting the localities and people in their production drive, and they have been able to defend, build and strengthen their own forces.

The Western Battlefront:

On 20 June we attacked the Vietnamese enemy troops at a sawmill, killing one and wounding three others. On 21 June we attacked the Vietnamese enemy troops at Anleang, destroying one truck, killing six enemy troops and wounding a number of others.

The Pursat Battlefront:

On 23 June we attacked the Vietnamese enemy troops at Reang Khvav, killing four and wounding five others. On 24 June we again attacked the Vietnamese enemy troops at Reang Khvav, killing four and wounding seven others. Also on 24 June we attacked the Vietnamese enemy troops at Leach, killing 17 of them on the spot and wounding 8 others. We seized one M-79. On 24 June we attacked the Vietnamese enemy troops at Phum (Thkol) on Route 5, killing eight on the spot and wounding six others. On June 24 we attacked the Vietnamese enemy troops at Krakor Leu on Route 5, killing four on the spot and wounding six others. On 24 June we attacked the Vietnamese enemy troops at Chhuk Meas on Route 5, killing one and wounding two others.

The Oddar Meanchey Battlefront:

On 21 June we attacked the Vietnamese enemy troops at Koul Prich, killing five and wounding three, and, on the same day, the Vietnamese enemy sallying out of Phum Soeng to Kdol ran over our guerrillas' landmine, suffering eight killed or wounded. On 22 June we: attacked the Vietnamese enemy at Phum Kdol, killing four and wounding six others; attacked the Vietnamese enemy at (Kouk Kabas), killing three and wounding five others. On 23 June we attacked: the Vietnamese enemy troops at Phum Talem, killing seven and wounding five others; and the Vietnamese enemy at Phum Sdok, killing four and wounding nine others.

In sum, on all these battlefronts we put out of action 141 enemy troops and destroyed a military truck.

Guerrilla Action

Voice of Democratic Kampuchea (Clandestine) in Cambodian to Kampuchea
2330 GMT 9 Jul 79 BK

[Text] With deep hatred for the Vietnamese expansionist, annexationist and genocidal enemy aggressors and thoroughly and firmly grasping the line of guerrilla war and guerrilla tactics, our heroic revolutionary guerrillas and heroic Kampuchean people have joined forces in launching widespread, smashing attacks against the Vietnamese enemy aggressors with a high sense of initiative, creativity, independence and self-reliance, using modern as well as primitive weapons to regularly hurt the enemy manpower.

The Kompong Cham-Kompong Thom Battlefield:

Stoeng Trang District: On 23 June we attacked the Vietnamese at Areak Tnaot and on the (Prey Sangke) Road, killing six and wounding seven. On 25 June we threw grenades into the trenches of the Vietnamese enemy aggressors in Phum Areak Tnaot, killing or wounding 20 of them.

Satunk District: On 25 June we attacked the Vietnamese enemy at O Dang-kiep Kdam, killing four and wounding five. The survivors ran into our traps and stepped on our punji stakes; seven others were killed or wounded. On 29 June we attacked them at Phum Dang Kda, killing one and wounding three. The survivors fled back to their position.

Baray District: On 26 June the Vietnamese leaving Bak Sna for Phum Lar were attacked by our guerrillas and people. Three of them were killed and five others were wounded by our traps and stakes. The rest retreated to their position.

The Siem Reap Battlefield:

On 4 July we attacked the Vietnamese at Phum Toek Lich south of Kulen Hill in Svay Leu district, killing seven on the spot, wounding some others and seizing two ak's.

Region Battlefield:

The Pailin Front: On 27 June we attacked the Vietnamese at (Stoeng Phnum Koy), killing three and wounding five. On the same day we attacked them at Phum Prey Thom, killing 10 and wounding 8; we also destroyed one vehicle. On 29 June we attacked the Vietnamese at Sala Krau, killing three and wounding two. On 30 June we again attacked them at Sala Krau, killing 3 and wounding 10. On 1 July we attacked them between Kamrieng and Phnum Koy, killing four and wounding eight. On the same day we attacked the Vietnamese at the Pailin Coffee Processing Plant, killing three and wounding four. On 4 July we attacked them west of Pang Roloem, killing three and wounding two. The survivors fled to Pang Roloem.

Sisophon District: On 28 June the Vietnamese sallying out of Kop Thom to (Olanchik) were intercepted and suffered three killed and two wounded. On the same night we planted mines on the road south of Kop Thom, killing two and wounding six Vietnamese aggressor's troops. On 29 June the Vietnamese hit our mines south of Kop Thom. Two of them were killed and three others were wounded in the explosion. On 30 June near (O Lanichik) the Vietnamese hit our mines again. Three of them were killed and two others were wounded. On 3 July we attacked the Vietnamese east and west of Mak Hoeun, killing six and wounding four.

In sum, on all these battlefields, we put out of action 177 enemy troops and destroyed a military vehicle.

CSO: 4212

JAPANESE WIDOW OF KAMPUCHEAN DIPLOMAT RETURNS HOME

Found Among Refugees

Tokyo KYODO in English 0002 GMT 9 Jul 79 OW

[Excerpts] Tokyo July 9, KYODO--Yasuko Naito, the Japanese widow of a former Kampuchean diplomat who was found among Kampuchean refugees near the Thai-Kampuchean border earlier this year by Vietnamese forces, returned to Japan from Bangkok Sunday night and had a tearful reunion with her 84-year-old mother and relatives.

Naito, who lost her husband and two children due to illness after the fall of Phnom Penh in April 1975, was greeted at Narita Airport by her sister Tomoko Takemura, 58, and brother Kaneo Shiraishi, 62, as well as other relatives.

She was found among Kampuchean refugees near the Thai-Kampuchean border last February by Vietnamese forces. Her whereabouts were made known after a Kampuchean refugee who escaped to Thailand presented her letter to Japanese authorities.

Her return to Japan materialized after the Japanese Embassy in Hanoi negotiated with the Kampuchean People's Republic headed by Heng Samrin. She was handed over to Japanese authorities in Hanoi last Friday

'VNA' Reports Return

Hanoi VNA in English 1631 GMT 6 Jul 79 OW

[Text] Hanoi, VNA, July 6--Mrs Yasuko Naito, a Japanese who has survived Pol Pot persecution, was repatriated today. Yusuko Naito, widow of a Kampuchean diplomatic official under the Lon Nol regime, was saved from a concentration camp by the Kampuchean Revolutionary Army.

On her request and in keeping with its humane policy the People's Revolutionary Council of Kampuchea allowed her to return to her country and provided her with every condition to do so.

Following a request of the Japanese Embassy in Hanoi and with the concurrence of the Kampuchean Embassy here and the assistance of the Vietnamese government, Yasuko Naito arrived here from Phnom Penh today. Her transfer was signed at the Thu Do International Airport by Mrs Pan Chomnan, first secretary of the Kampuchean Embassy, and Kaisaku Kawamoto, first secretary of the Japanese Embassy, who expressed thanks for the humanitarian policy of the Kampuchean People's Revolutionary Council and for the assistance of the Vietnamese government.

CSO: 4220

LITTLE FOOD ON HAND, ALMOST NO CROPS PLANTED

Kuala Lumpur BUSINESS TIMES in English 18 May 79 p 6

[Article by Alan Dawson in Bangkok]

[Text]

THE tragic nation of Cambodia faces a deadly famine that could kill thousands and send a million new refugees fleeing to Thailand, Indo-China observers believe.

Cambodians have precious little food now, virtually no crops in the ground and will get no real relief from Vietnam, which is already in the process of explaining the fifth consecutive crop failure to its own people.

Diplomats and Thai officials charged with predicting the course of events in Cambodia are openly and frankly worried about the problem.

The (Vietnam-Khmer Rouge) war is continuing and there are no crops and no chance to plant new ones.

"And it's obvious the Vietnamese aren't going to stop refugees; no one is going to stop them" from fleeing to Thailand.

Thailand currently shelters close to 200,000 Indo-Chinese refugees, including nearly 50,000 who have fled the two communist regimes of Cambodia.

That number, even the most conservative experts now say, is a spit in the ocean compared with the potential flood of refugees from starving Cambodia to relatively rich Thailand later this year.

"This is not some philosophical discussion," said another diplomatic source. "People in Cambodia are hungry now. In a few weeks they'll be starving. In a few months, they'll be desperate."

Cambodia has three neighbours — Vietnam, Laos and Thailand. Only one has food, and that is Thailand.

A major problem in the potential new tragedy of long-suffering

Cambodia is that it may be impossible to raise an international effort to alleviate the inevitable hunger and starvation.

The Vietnam-installed Cambodian regime remains an international pariah to virtually all nations but Eastern Europe and the Soviet Union.

"The Soviets might be able to mount some sort of food relief programme," said a Western expert on Cambodia. "In fact, they have already airlifted in some food."

But it will take more than an airlift to feed 5 million or so hungry Cambodians, he said. In any case, first priority for food supplies, as always, is the Vietnamese army, whose troops in Cambodia need at least 75,000 tons of food per day, by the most conservative estimate.

The Vietnamese and Soviet air force trans-

port planes now available are already hard-pressed just to supply the Vietnamese military in Cambodia, Indo-China watchers have reported. "They're in no position to airlift food to feed the Cambodian people," said one.

The new Cambodian regime, with heavy support from Hanoi, has begun a new propaganda-coercion programme to try to convince Cambodians to get back into their fields to feed themselves.

But there are major problems to this.

Foremost among them is the continuing fighting in and near the richest fields of all, around Battambang province in the Cambodian northwest next to Thailand.

In addition, Vietnamese and their Cambodian backers do not wish to be seen employing harsh coercion against peasants to work the fields. Such coercion by the Khmer Rouge was a major stated reason for last winter's "liberation" of Cambodia by Vietnam.

Then, too, there is the psychological state of the Cambodians themselves, a so-called "party syndrome" to holiday after their release from the brutal Khmer Rouge regime.

"When Vietnam took over Cambodia, there was at best about a three-month food supply stockpiled for the people," said one expert.

The Vietnamese took some food away and the Khmer Rouge had stockpiled much of last year's crop in jungles and mountains just in case of a Vietnamese invasion. Other rice was exported to China last winter, diplomatic sources said.

When a near-famine struck Cambodia after the disastrous winter rice crop of 1976-77, an expected mass flow of refugees out of the country of Thailand failed to occur because the Khmer Rouge set up border defences to keep the people inside.

There are now no such defences. Thai forces are strung so thinly along the border, they have been virtually powerless to prevent most of the refugee masses in recent weeks from entering Thailand.

"The prospect of tens and hundreds of thousands of refugees fleeing to Thailand is incredible," said one Western diplomat familiar with official Thai thinking. The Thai government will try to keep out most of the refugees, he said, but most officials are pessimistic about their chances. — UPI.

BRIEFS

CHILDREN'S CULTURAL DAY--A ceremony marking Children's Cultural Day was held on 20 June in Sangkat Bek Chan, Phnom Penh district. The ceremony was presided over by Education Minister Chan Ven. Also present at the ceremony were (Hung Hen) and (Pen Yeth), representatives of the information ministry, and colleagues; (Chan Savouth), director of the national radio and colleagues; (Ouk Chan), director of the "Cha 1" bowl factory; (Pal Samol), president of the Phnom Penh Revolutionary Committee; cadres from various echelons and schoolteachers of Sangkat Bek Chan. [Phnom Penh Domestic Service in Cambodian 2300 GMT 21 Jun 79 BK]

BEX CHAN BOWL FACTORY--Education Minister Chan Ven on 20 June visited the "Cha 1" bowl factory, Sangkat Bek Chan, Phnom Penh district. While visiting the factory, Chan Ven told 545 cadres and workers in the factory to work harder to further develop the factory. [Phnom Penh Domestic Service in Cambodian 2300 GMT 21 Jun 79 BK]

CUBAN HEALTH DELEGATION--A delegation of the Cuban Ministry of Public Health made up of (Suarez) and (Miguel) on 14 June paid a 2-day visit to Kampuchea. The delegation visited the ENAPHAR [National Pharmaceutical Products Enterprise] Center and the "7 January" hospital where it surveyed the feasibility of repair and reconstruction work for machines, pharmaceutical equipment and radiomicroscopes. The Cubans also met and chatted amicably with Dr Nu Beng, minister of health and social affairs of the PRK. It was sent off at the airport by (Hang Them) and Dr Yut Kim Senf). [Text] [Phnom Penh Domestic Service in Cambodian 0400 GMT 20 Jun 79 BK]

TEXTBOOKS FOR PRIMARY STUDENTS--With an aim to combat illiteracy and to promote education among children, cadres, personnel, combatants and the population in general, the National Orientation and Education Ministry is now preparing education programs and textbooks for primary education. Educational instruction has already begun temporarily in various primary schools in the communes around Phnom Penh and other provinces of the People's Republic of Kampuchea. [Phnom Penh Domestic Service in Cambodian 2300 GMT 22 Jun 79 BK]

KOMPONG CHHNANG EDUCATION--After the 7 January great victory during which our revolutionary people toppled the Pol Pot-Ieng Sary traitorous regime, the People's Revolutionary Committee in Kompong Chhnang Province has repaired and rebuilt school buildings damaged during the Pol Pot-Ieng Sary regime. Within only 3 months, Kompong Chhnang Province now has 73 schools with 8,848 children attending and 73 teachers in charge. [Phnom Penh Domestic Service in Cambodian 2300 GMT 22 Jun 79 BK]

POST OFFICE TRAINING COURSE--The first training course for post office personnel was opened in Kompong Thom Province on 15 June 1979 under the chairmanship of (Chan Sarin), representative of the People's Committee of Kompong Thom Province. There are 41 post office personnel attending this course. [Phnom Penh Domestic Service in Cambodian 2300 GMT 22 Jun 79 BK]

PRODUCTION DRIVE IN TAKEO--There are now 7 districts and 550,228 inhabitants in Takeo Province. It has 142,440 hectares of ricefields. The people in this province have prepared conditions for the production drive. They have collected 41,519 bushels of the late-maturing rice seeds and 10,708 bushels of the early-maturing rice seeds and received another 1,200 tons of the early-maturing rice seeds from the Vietnamese people. They have also produced thousands of ox-carts, plows, harrows and a large number of plowshares. They have now transplanted rice crops on 607 hectares of land, sowed seeds on 2,924 hectares and planted 319 hectares of maize and beans as well as 161 hectares of other crops. They have also repaired weaving looms in order to revive weaving handicraft to serve their needs. [Phnom Penh Domestic Service in Cambodian 0400 GMT 24 Jun 79 BK]

KBAL KAOH COMMUNE NORMALIZATION--The people in Kbal Kaoh commune, Kien Svay district, Kandal Province, about 15 kms southeast of Phnom Penh, have gradually returned to their villages. There are now 7,966 inhabitants in this commune which is composed of three villages--Chrouy Ampil, (Yok Bat) and Prek Thom. They have organized themselves into 30 solidarity groups for production and are striving to normalize life and increase production for serving their needs. In Prek Thom village, they have transplanted 45 hectares of dry-season rice crop and planted 60 hectares of maize. They have also built ironsmith and carpentry workshops for producing farm tools. In addition to the agricultural drive, they have built a primary school with 21 classrooms attended by 1,136 children with 21 teachers. They have opened a hospital in the commune with four medical personnel to provide daily treatment to the people. [Phnom Penh Domestic Service in Cambodian 1100 GMT 27 Jun 79 BK]

KOMPONG SPEU AGRICULTURE--There are now 166,604 people in Speu Province. This province has 3,384 plows, 1,216 harrows, 11,270 yokes of oxen and 222 yokes of buffalo for the agricultural drive. The province has received 190 tons of rice seeds from the Central Agricultural Committee, and has distributed 1,000 gunnysacks to Samraong Tong

district, 660 gunnysacks to Vor Sa commune, 600 gunnysacks to Oudong district, 94 gunnysacks to Krang Check commune, 500 gunnysacks to Kong Pisei district, 168 gunnysacks to Nitean commune, 1,550 gunnysacks to Svay Po town and 53 gunnysacks to Tpong district. The Central Agricultural Committee also gave to the province 8 waterpumps, 3,000 hoes, 2,000 plowshares and more than 179 tons of the early-maturing rice seeds. [Phnom Penh Domestic Service in Cambodian 0400 GMT 24 Jun 79 BK]

KOMPONG SPEU AUTO REPAIR SHOP--The auto repair shop in Kompong Speu Province has resumed operation. From 19 February to 10 June 1979, this shop repaired 14 large and small cars, 7 waterpumps, 13 motorcycles, 5 large and small generators and 8 handle-held tractors. [Phnom Penh Domestic Service in Cambodian 1100 GMT 25 Jun 79 BK]

NORMALIZATION IN BEK CHAN--Bek Chan commune is located on Route 4 about 15 km west of Phnom Penh. Following the total liberation of the country, natives of the commune who remained from massacre by the Pol Pot-Ieng Sary regime returned to their villages. So far, the commune has 1,040 families and 4,500 men and women who work in 39 solidarity groups for production. Rice and other secondary crops such as cassava, greenbeans, peanuts and sesame are being developed. Communal revolutionary authorities have supplied the inhabitants with salt, textile materials, farm tools and shelters. So far, 550 new houses have been built. Efforts to provide the local population with new houses continue. The people in the commune also strive to repair and produce more farm tools for local need. Local revolutionary authorities have supplied the farmers with some 7,024 kg of rice seeds to help boost rice production. A large school building and an infirmary have been built in the commune. [Phnom Penh Domestic Service in Cambodian 0400 GMT 28 Jun 79 BK]

KANDAL TRANSPORT AND COMMUNICATIONS--Phnom Penh, 13 June (SPK)--Lately, a big effort has been made in Kandal Province to restore land and river communications. They have put into working order dozens of trucks and built many rudimentary means of transportation. They have also built or repaired about 100 boats. These boats, organized into river transport teams, have been a great help to meet the needs of the population in terms of travel and transportation. Embankments have been built over dozens of kilometers of National Route 1. [Text] [Phnom Penh SPK (Clandestine) in French 0607 GMT 14 Jun 79]

CSO: 4200

VIENTIANE RADIO TALK HITS PRC, CLAIMS THREAT TO COUNTRY

Vientiane Domestic Service in Lao 0400 GMT 22 Jun 79 BK]

[Weekly conversation between Uncle "Ka" and Uncle "Han" on Beijing leaders' design in Southeast Asia--recorded]

[Text] [Ka] Han, are you home? I wonder whether he is home?

[Han] Is that you Comrade Ka? Well, come in.

[Ka] Well, every time I'm here you are always busy. Do I disturb you?

[Han] Never mind. No matter how much work I have to do, I still have time to talk with you. I'm always busy with my work every day except on official holidays. I think you must have something to discuss with me today.

[Ka] You are right.

[Han] Do you have any interesting topics to discuss with me today? Go ahead.

[Ka] I have nothing interesting to tell you. But I have something to ask you, and I want you to explain it to me.

[Han] If you are interested in something, go ahead and ask me. If I can answer your questions, I will. If I can't, I'll ask other persons or the higher level to explain them to you. Go ahead, comrade, don't hesitate.

[Ka] Well, it is about the situation in our country at present. In brief, it is about the Beijing or Chinese rulers. I don't understand why they have betrayed and have shown hostile attitudes toward the LDPR despite the fact that we have never done anything harmful to or provocative against them. We always uphold justice, and have never provoked or committed hostile acts against anyone. But why have they [Beijing rulers] acted like that? In the past while we were carrying out the struggle, why did they give assistance to our revolution? What was the logic behind this? I would like you, comrade, to explain it to me. I still don't understand it.

[Han] All right, if you don't understand this matter very well, I will explain it to you. I would like to explain why the PRC rendered assistance to our revolution in the past. We must clearly understand that the assistance was not rendered by the traitorous Beijing rulers...

[Ka] Then, by whom?

[Han] By the Chinese revolutionaries; by the genuine Chinese revolutionaries and the Chinese people. During that period, the big-nation expansionists were not yet strong and did not openly make themselves known to the world. At the same time, there also existed a large number of genuine Chinese revolutionary forces. Therefore, the Beijing rulers were compelled to agree with and assist the Lao revolution since they were still under the cloak of communism. Thus, they had to give assistance to us in accordance with the principles of proletarian internationalism. It was like I just said, comrade. Of course, we thanked the genuine Chinese revolutionaries and the Chinese people for their assistance. However, for the Beijing rulers, such assistance was given for their future gains. The gains were to cajole Laos to follow their footsteps, Comrade. This is my answer to your first question.

[Ka] Thus, it means that the assistance was rendered by the genuine Chinese revolutionaries and the Chinese people. As for the traitorous Beijing rulers, they only intended to profit from such assistance by pulling Laos into their orbit.

[Han] That is the intention of the Beijing reactionary rulers--to drag Laos along their path, comrade. Now, I would like to discuss the second question: Why the Beijing rulers have openly showed hostile attitudes against the LPDR. In connection with this question, we can see that following the liberation of our country and the establishment of the LPDR, Laos has become a genuinely independent, sovereign and Marxist-Leninist state. Our people have strived to build their country into a genuine socialist entity. This development has run counter to the objectives of the Beijing rulers who want to implement their big-nation expansionism and to put Laos under the control of the PRC and to use it as a path for expanding its big-nation expansionism into Southeast Asia. That is why the Beijing rulers are frenziedly trying to ardently oppose the Lao revolution and to obstruct the path of the LPDR. This is it, comrade.

[Ka] This means that the Beijing rulers have the desire to put Laos under the control of China and to use Laos as the path for expanding the big-nation expansionism in Southeast Asia. Am I right, comrade?

[Han] You are right.

[Ka] Did the Beijing rulers' opposition to the Lao revolution begin right after the establishment of the LPDR, comrade?

[Han] Yes, that is true. However, such an assumption is not totally correct, comrade. The Beijing rulers who are pursuing the Maoist line and the big-nation expansionist policy of opposing Laos began their opposition to our country since the beginning of our revolution. However, such opposition was not carried out openly, but secretly. They simultaneously assisted and opposed us, comrade. The opposition to the Lao revolution was openly conducted right after our country was established as a democratic republic.

[Ka] How has the open opposition been committed by them? Can you, comrade, explain it to me?

[Han] After the establishment of the LPDR, the Beijing rulers immediately extended their hands to give support to the Vang Pao clique, the Kong Le clique and other exiled Lao reactionaries. They have helped, fed and given weapons to piratic commandos to carry out activities against the Lao revolution. For example, the commandos in the Phou Bia Mountains have been fed, clothed and armed by the Chinese rulers. In addition, they have also employed psywar tactics in making propaganda to sow discord among the people of all nationalities, to divide the army and the people, and to spread slanderous rumors against the line and policies of our party and state. They have instigated former Vientiane government employees and our people to flee the country. They have committed so many other acts as you already know, comrade. In certain areas where the people still remain largely illiterate, they have fabricated stories about Tiao Fa, Tiao Chuang [tribal princes] and other magical medicine men to fool the people. All these acts are aimed at destroying our revolution. I think you must understand what I have said, comrade.

[Ka] Yes, I understand very well. Then, what should we do?

[Han] Well, as things stand now, we can only maintain high vigilance and prepare to thwart all of their sinister designs. That's all we can do--maintain high vigilance, promptly thwart their designs, and prepare to fight and to fight well. We must not believe in certain things easily. We must listen to the instruction and guidance of our party and state, and must have faith in the line and policies of our party and state. This is because our party is a genuine Marxist-Leninist party. We have correct domestic and foreign policies. When you go home, you must explain to your relatives and friends that the Beijing rulers are the serious threat to the Lao revolution as well as the world revolution. We must constantly heighten vigilance so as to smash their designs against our country. That's all there is to it, comrade.

[Ka] I will explain to my relatives and friends what you have just said. I would like to thank you very much. Next week, I hope you will again explain more interesting things to me. I must say goodbye for now.

[Han] Good luck.

FORMATION, COMPOSITION OF NEW COOPERATIVES DESCRIBED

Oudomsai, Ngoi, Nan, Louang Namtha

Vientiane BULLETIN QUOTIDIEN in French 25 May 79 p 2

[Text] In Oudomsai: On the 17th of this month, 117 peasants of the village of Nahuang, commune of the same name, district of [Meuang] Muong Sai, formed an agricultural cooperative farming 37 hectares of rice fields and using 31 draft animals.

In Luang Prabang: Between mid-April and the 13th of this month, the farmers of the district of [Meuang] Ngoi have organized themselves into 11 cooperative units with a total of 383 families farming 44 hectares of rice fields and another 50 hectares newly prepared, involving 19 draft animals and a sum of 624,500 kips.

In addition, 81 families of Na Hao village, commune of Nan, district of the same name, have also recently grouped themselves into cooperative units, with 100 hectares of rice fields and using 56 draft animals.

In Luang Namtha: 112 families of the villages of Pe and Thong Di, commune of Thong Om, district of [Meuang] Nam Tha, have formed 2 cooperative units farming 137 hectares of rice fields with 266 draft animals.

Pak Ou, Luang Prabang

Vientiane BULLETIN QUOTIDIEN in French 26 May 79 p 3

[Text] Vientiane (KPL)--Seventy-four families [with 415 people] of the village of Hat Kham, commune and district of [Meuang] Pak Ou, Luang Prabang province, recently organized themselves into a cooperative unit farming 170 hectares of cultivable land, including 73 hectares of rice fields, 7 hectares for burnt-land farming, and 50 hectares for planting fruit trees and industrial timber. In addition to the cooperativization of the land, they have also placed 30 draft animals and 60 agricultural implements at the disposal of the collective unit.

Twelve in Meuang Luang Prabang

Vientiane BULLETIN QUOTIDIEN in French 29 May 79 p 6

[Text] After having quite recently studied in depth the by-laws and provisional regulations of the party's Central Committee concerning cooperativization, the multinational population of various areas of the district and province of Luang Prabang, estimated at 412 families with 1,320 members, and with 379 hectares of cultivable land, 201 draft animals, and 302 sets of agricultural implements, voluntarily abandoned small-scale scattered production in favor of socialist collective production by organizing 12 agricultural cooperatives.

After setting them up, the members of these cooperatives contributed the sum of 870,000 kips for improvement and construction of the cooperatives. In addition, they have elected the steering committee and the auditing committee and have drawn up the 1979 production plan in detail, so as to facilitate the work in the cooperatives.

Up to the present, 50 percent of the population of this district has joined the agricultural cooperative.

Totals in Meuang Nan

Vientiane BULLETIN QUOTIDIEN in French 30 May 79 p 2

[Text] Since the beginning of last year, the polyethnic inhabitants of the district of [Meuang] Nan, Luang Prabang province, have formed 18 agricultural cooperative units comprising a total of 3,129 members, with 1,125 hectares of rice fields, 1,100 harrow and plow units, and more than 900 buffaloes. After creating the units, the members have held elections of the members of the steering committee and the auditing committee and have arranged the division of labor.

One in Sikhottabong

Vientiane BULLETIN QUOTIDIEN in French 5 Jun 79 p 1

[Text] On 1 June, 183 farmers of the village of Nong Panai, commune of Sithane Neua, arrondissement of Sikhottabong, prefecture of Vientiane, organized themselves into a cooperative unit farming 66 hectares of rice fields.

Improvement Needed in Mobilization

Vientiane BULLETIN QUOTIDIEN in French 5 Jun 79 pp 3-5

[Editorial by "Sieng Pasasonh": "Let Us Improve the Leadership of the Work on the Forests and the Agricultural Cooperatives"]

[Text] The organization and development of the cooperative, giving impetus to agricultural and silvicultural production, make it necessary to develop and

improve the leadership by the party and the governmental authorities. Although agricultural cooperativization in the past has made some progress and has had some achievements, it cannot be separated from the efforts by the party committee at each level and by different departments from the central level down to the rank and file.

Through the activities of the cadres involved at each level and in various departments, one notes that cooperativization and the pushing of agricultural and silvicultural production have for the most part been done in an unthinking manner in the form of propaganda and appeals only, instead of being linked closely with particularity, at the rank-and-file level, so as to popularize the party and government's line in detail, aiming to establish the proper methods and political program so that they will be applied by the masses. If this situation is not resolved, it will not be able to transform the party and government's policy into concrete action by the masses, despite the correctness of the policy, the application of which remains ineffective. The party and government's political program has stipulated that cooperativization is to be carried out on a voluntary basis, on the basis of common interests and democratic management, but in reality, certain regions have not yet done good propaganda work on the content and objectives of agricultural cooperativization; the masses have not yet grasped the idea of mobilization or acquired sufficient political awareness to volunteer for cooperativization, but in certain regions they are mobilized and are ordered to go into it, and if they do not, they will not receive any preferential treatment. This was a mistake. Thus, a number of farmers have decided to join in cooperativization out of fear, which arouses discontent among the masses and thus does considerable harm to the party and government's policy line.

Thus we must recognize clearly that the organization and management of the collective economic base constitutes the fixed point for the orientation of production, of the production program and of the organization of labor until construction of the material and technical basis for carrying on production. All this requires a system, policy and detailed decisions which we cannot make at our whim. If the organization of the party and of the government and the departments at the provincial, district and commune levels do not understand these responsibilities clearly and do not have a program of action for giving it strong leadership, they will not be able to render great service to cooperativization; worse, they will impede cooperativization and the agricultural and silvicultural production movement.

The organization and development of the cooperative for pushing agricultural and silvicultural production consist in developing a spirit of self-sufficiency in the members of the cooperative, but the important factor is the aid granted to the cooperative by the socialist state, comparable to an indispensable lever, giving impetus to the new production relationships in order for them to develop and create the conditions favorable to the new production force, intensifying and developing its interests.

In parallel, this activity also requires development of the methods of leadership by the party and the governmental authorities, whose weakest link is at

the district and commune level, because the leadership on the spot has not only called for clear understanding of the program and the overall line of the state, but more knowledge of the geophysical particularity of the soil, of the labor force, and of the production level and pattern of each region is necessary. It is in this way that we have correct leadership, bringing with it a broad movement of impetus to cooperativization.

Among other problems to which we must apply ourselves is that of grasping well the experimental areas for building and developing examples in the tasks of leadership. This is the only scientific and concrete method, and only by this means will we be able to keep a check on the political program, the line fixed by the party and the government, so as to distinguish the correct from the false, grasp the problems, correct them and draw the lessons from them.

Thus each province, each district, each commune and the various departments must apply themselves to this task, establish the political program and the proper and creative methods for stirring and mobilizing the mass movement to participate in cooperativization, to adopt a resolute approach, to seize brilliant victories in this production season and successfully give concrete form to the 1979 program for development of agricultural and silvicultural production as fixed by the party and the government.

Saithani, Sikhottabong, Nan

Vientiane BULLETIN QUOTIDIEN in French 6 Jun 79 pp 1, 2

[Text] In Vientiane: 393 families of the villages of Dong Bang, Namon, Pak-sap, Naphock, Tha Dokkham and Don Makkhat, commune of Dong Bang, district of Saithani, Vientiane province, recently grouped into 6 agricultural cooperative units farming 623 hectares of rice fields with 711 draft animals.

In addition, 125 families of 6 villages (Sikhaitha, Muang Vatha, Sibounhuang, Gnapha, Sikhaithong and Muang Vathong), commune of Sikhay, arrondissement of Sikhottabong, prefecture of Vientiane, formed, from 29 May to 2 June, 4 agricultural cooperative units with 146 hectares of cultivable land, including 121 hectares of rice fields, with 105 draft animals, 2 carts and 27 outboard canoes.

In Luang Prabang, 245 families of the communes of Muong Khai and Khok Man, district of Muong Nan, have organized themselves into 6 agricultural cooperative units with 315 hectares of cultivable land, including 196 hectares of rice fields, and with 117 draft animals.

Muang Phieng, Sayaboury

Vientiane BULLETIN QUOTIDIEN in French 7 Jun 79 p 3

[Text] Recently, the inhabitants of the village, commune and district of [Muang] Phieng, Sayaboury province, abandoned their scattered farming to

create 3 agricultural cooperative units comprising 181 families with 997 persons, with 176 hectares of rice fields, 85 of which are for flooded rice-growing, 87 buffaloes and oxen, and complete agricultural implements.

Fifteen in Sikhottabong

Vientiane BULLETIN QUOTIDIEN in French 11 Jun 79 p 3

[Text] At the end of May and the beginning of June, 583 families in the arrondissement of Sikhottabong, prefecture of Vientiane, joined into 15 agricultural cooperatives farming 653 hectares of rice fields and 30 hectares of vegetable gardens, with 464 draft animals and 27 motorized canoes.

11267

CSO: 4200

AGRICULTURAL COOPS FORMED BUT FARMERS DOUBT BENEFITS

Large Coop in Luang Prabang

Vientiane KHAOSAN PATHET LAO in Lao 24 Apr 79 p A4

[Text] On 20 April, the people of seven villages which included 314 families and 1,743 people in [Tasseng] Phakhom Canton, Luang Prabang district and province decided to change from individual decentralized production to agricultural cooperatives with collective socialist production.

After the change was officially announced, each unit conferred to apportion the duties in order to prepare for effective and timely seasonal production.

Meuang Ngoi, Luang Prabang

Vientiane KHAOSAN PATHET LAO in Lao 5 Apr 79 p A9

[Text] After the lesson of the establishment of agricultural cooperatives in other villages was understood, namely that communal production achieves better results than small-scale, scattered production, the farmers of Ban Sotkham of Ngoi District, Luang Prabang Province, decided at the end of the third month of 1979 to set up an agricultural cooperative in their village. It had 178 members and 55 hectares of rice fields. It had the following means of production: 51 water buffalo, funds amounting to more than 200,000 kip, and a number of plows and harrows.

At present they are improving their organization and are vigorously proceeding with production.

Viang Sai, Houa Phan

Vientiane KHAOSAN PATHET LAO in Lao 27 Apr 79 pp A4,5

[Text] In order to change from the decentralized individual production of the farmers in the past to socialist collective production with the goal of gradually and steadily improving the lives of the farmers, the people of various locations throughout Viang Sai District, Houa Phan Province beginning in early 1979 willingly set up agricultural cooperatives. Up to the present throughout Viang Sai District 35 agricultural cooperatives have been set up. These have a total of 3,676 members and 1,682 hectares of cultivated land.

In order to continue to build and steadily strengthen and improve their co-operative, the members pooled their cash and production tools, valued at more than 13 million kip and including 1,738 draft animals. These were to be the capital and property of the cooperative to be used in production.

At present the members of this cooperative are actively beginning to plant wet rice and prepare the fields.

Thoulakham and Expansions

Vientiane KHAOSAN PATHET LAO 30 Apr 79 p A1

[Text] On 3 April 29 families of Ban Phakho, [Tasseng] Phakho, Canton Thoulakhom District, Vientiane Province enthusiastically changed from scattered, individual production and set up an agricultural cooperative which consisted of 33 hectares, more than 30 draft animals and complete production equipment.

After establishing the cooperative, they elected a managing committee, a supervisory committee and divided the production teams carefully and correctly according to the Party Central Committee's provisional regulations on turning to cultural cooperativization.

It also was reported that at the beginning of the same month agricultural cooperatives in [Tasseng] Sangkhalok and Siangmuak Cantons of Luang Prabang district and province took on more than 500 new families which included 2,593 people. Of this [Tasseng] Sangkhalok Canton got 194 families, 1,010 people.

At the same time the administration of Luang Prabang District and [Tasseng] Phakhom Canton subordinate to that district opened a conference to inform and mobilize cadres on changing to agricultural cooperatives to promote a steady increase in production in their area.

The documents which were brought for study on this occasion concerned mobilizing and setting up agricultural cooperatives, the provisional regulations on changing to agricultural cooperatives and other documents.

Coop Houa Phan

Vientiane KHAOSAN PATHET LAO in Lao 1 May 79 p A5

[Text] At the beginning of April, more than 20 families of Sam Neua, Houa Phan Province had a sense of awareness when they established an agricultural cooperative in their village. The purpose was to change from the individual production of the past to the socialist collective production and improve the lives of the farmers day by day.

This agricultural cooperative has 56 members, more than 10 hectares of rice fields and 50 draft animals for labor. In the past the Lao people of the

Hmong tribe in the village of Houa Khang practiced an agriculture which was not stable but after liberation they received help from the local administration and made new fields, and now they have set up an agricultural cooperative to maintain a stable living.

At present this agricultural cooperative is arranging a division of labor, repairing the irrigation ditches and repairing sufficient tools for this year's seasonal production.

Farmers Doubt Benefits

Vientiane VIENTIANE MAI in Lao 19 Apr 79 pp 1,4

[Editorial: "Promote the Establishment of Even Stronger Agricultural Cooperatives"]

[Text] The turning to agricultural cooperatives is an organizational structuring and a production relationship in the sphere of agriculture. It is a turning of the farmers away from small-scale, scattered production onto a path of collective, socialist livelihood, which is a progressive, developing and modern method of production. It begins by facilitating things in filling needs of production forces, supplying materials, capital, technical means, scientific methods and a control mechanism. The actual production of the agricultural cooperative can be made more efficient which will gradually bring the benefits of contentment, happiness and progress to the members of the agricultural cooperative.

After the government set forth the provisional measures concerning agricultural cooperatives in May 1978, the turning from small-scale, individual, scattered production to collective production of the agricultural cooperatives on the part of farmers throughout Vientiane City and Province has been widely carried out with good results. As of the present, the area has established nearly 100 agricultural cooperatives.

Our mobilization in this is an initial result and is matter of considerable pride in the battlefield of establishing agricultural production relationships. It is the carrying out of the policies set forth by the party and the state. However, we also are confronted with many obstacles and difficulties which delay the work of expanding the establishment of agricultural cooperatives and make them not as solid as they should be. The primary issue is the matter of production tools and the fields of the people. Mobilization is lacking [or] it is not timely or thorough. For those reasons a number of our farmers are still uneasy and are not yet sufficiently courageous to make a decision to join an agricultural cooperative because they have doubts about the benefits they would gain by becoming members of agricultural cooperatives. They have not yet become steeped in the policies of the party and the state which will lead the nation toward bright, civilized and blessed socialism.

Today, as in the future, the change to agricultural cooperatives is still the goal and expectation to be aimed at by party and state policy lines in the sphere of the national economy. For that reason the duty of improving and

expanding the establishment of agricultural cooperatives must be regularized and strengthened. From now on, we must decisively solve this problem with concrete actions; especially in line with mobilizing, organizing and guiding for expansion we must carry out the improvement in the organization of each cooperative unit now in existence. There must be more solidification and strengthening of labor, raising the efficiency in production in order to set an example for farmers in general, in order to make this a factor in mobilization so change to agricultural cooperatives will be more widespread than ever.

In expanding the establishment of agricultural cooperatives to the great extent expected in the plans set forth by the party and the state, we must be able to increase agricultural production greatly and steadily and build a capital base in foodstuffs and implements to bring great benefits to ameliorate our people's lives for happiness and progress that will never cease.

More in Thoulakhon

Vientiane VIENTIANE MAI in Lao 4 May 79 p 1

[Text] After they studied the rules and the importance of establishing collective production and the provisional regulations concerning the establishment of agricultural cooperatives, the people of Ban Haiyon, [Tasseng] Phakho Canton, Thoulakhon District, Vientiane Province which included 32 families decided at the beginning of April to abandon the individual, scattered method of production and become members of an agricultural cooperative with communal production. They gave up their property to the cooperative beforehand which included 139 water buffalo, 70 cattle, and all their crop land on which had been planted all the rice seed, more than 150 Mun [equal to 12 kilograms].

Now the people in this village are getting their tools ready to joyfully work the wet rice crop.

8149

CSO: 4206

BRIEFS

GDR PHOTO EXHIBITION--Vientiane, 19 June (KPL)--A photo exhibition to mark the 30th anniversary of the founding of the German Democratic Republic was opened in Vientiane on the evening of June 18 under the joint sponsorship of the GDR Embassy and the Soviet Culture Centre. Attending the inauguration were members of the Supreme People's Assembly and other high ranking officials. Also present were diplomats of socialist countries accredited to Laos. Speaking on the occasion, Gerhart Reuter, acting charge d'affaires of the GDR Embassy highlighted the heroic tradition of the people of the GDR in the fight against the Hitlerite fascists during World War II. The photo exhibition also focuses on aid of the GDR to friendly countries in the spirit of proletarian internationalism [Text] [Vientiane KPL in English 0947 GMT 19 Jun 79 BK]

MINISTER ATTENDS BULGARIAN EXHIBITION--Vientiane, 19 June (KPL)--An exhibition of Bulgarian children's art works was opened yesterday afternoon at the exhibition hall of the Ministry of Propaganda, Information, Culture and Tourism by the Bulgarian Embassy in collaboration with the Lao Ministry. Present at the opening were Sisana Sisan, minister for propaganda, information, culture and tourism, and other high ranking officials. Bulgarian Ambassador Zhecho Radunov, other members of the diplomatic corps and representatives of international organizations in Laos were also present. Speaking on the occasion, Son Khamvanvongsa, general director of the Ministry for Propaganda, Information, Culture and Tourism and Ambassador Zhecho Radunov pointed out the special care given to Bulgarian mothers and children by the Bulgarian party and government. They expressed the wish that the fraternal relations and friendship between the Lao and Bulgarian peoples flourish continually. The exhibition will be opened for public viewing until June 24. [Text] [Vientiane KPL in English 0940 GMT 19 Jun 79 BK]

HUNGARIAN AID WITH BRIDGE CONSTRUCTION--Vientiane, 20 June (KPL)--A protocol on the construction of a bridge on highway 9 with Hungarian assistance was signed in Vientiane on June 19 at the Ministry of Communications, Public Works and Transport. Signing for the Lao side was

Sai Phakasoum, deputy director of the Transport Department and head of the Lao technical delegation and for the Hungarian side was Loy Komikos, assistant director of the communications and public works and head of the Hungarian technical delegation. The signing was witnessed by Sanan Southichak, Lao minister of communications, public works and transport, and Bela Benyei, Hungarian ambassador to Laos, and other high-ranking officials. [Text] [Vientiane KPL in English 0923 GMT 20 Jun 79 BK]

DELEGATION BACK FROM HUNGARY--Vientiane, 25 Jun (KPL)--The Lao delegation headed by Mrs Amon Bounnaphon, deputy office director of the Ministry for Education, Sports and Religious Affairs, returned here on 23 June after attending the International Conference on Children's Rights held from 2-7 June in Budapest. After attending the conference, the Lao delegation visited many localities in Hungary. [Vientiane KPL in English 0944 GMT 25 Jun 79 BK]

SRV PROVINCIAL DELEGATION--Vientiane 26 Jun (KPL)--The delegation of the province of Vinh Phu of the Socialist Republic of Vietnam led by Nguyen Van Chuoc, acting secretary of the committee of the Communist Party in Vietnam in Vinh Phu Province on 23 June left for home after an 8-day friendship visit to Laos' northern province of Luang Namtha. During its stay in Luang Namtha, the Vietnamese Delegation held talks with the local authorities on the cooperation and mutual assistance between the two provinces in economic construction, cultural development and other questions of mutual concern. It called at several production bases and historical sites. [Text] [Vientiane KPL in English 0914 GMT 26 Jun 79 BK]

DPRK FILM SHOW--Vientiane, 26 Jun (KPL)--On the occasion of the fifth anniversary of the establishment of diplomatic relations between the Lao People's Democratic Republic and the Democratic People's Republic of Korea, the Korean Embassy gave a film show here on 25 June. High-ranking officials of the Lao Foreign Ministry and other ministries attended the show. [Text] [Vientiane KPL in English 0917 GMT 26 Jun 79 BK]

LITERACY FIGURES--Vientiane, 27 June (KPL)--Since the founding of the Lao People's Democratic Republic in 1975, 1,804,000 adults in 3,827 villages throughout the country have become literate, according to latest statistics from the Ministry of Education, Sports and Religious Affairs. [Vientiane KPL in English 0938 GMT 27 Jun 79 BK]

POLITICO-MILITARY TRAINING--Vientiane, 27 June (KPL)--The military command of Muong Sai district in Oudomsai Province in the past few months held nine political and military courses for large numbers of local cadres and militiamen and women. The courses were aimed at raising their political consciousness and combat capacity. In Vientiane Province, the military command of Kasi district organized a 1-week politico-military training course for 51 members of a mobile militia unit of the district. The course dealt with the 6th resolution of the LPRP Central Committee and military tactics. [Vientiane KPL in English 0939 GMT 27 Jun 79 BK]

SRV AGRICULTURAL DELEGATION--After concluding its visits to Champassak and Luang Prabang Provinces, the agricultural delegation of the Communist Party of Vietnam led by Comrade Vo Thuc Dong, member of the Party Central Committee and chief of its Agricultural Committee, proceeded to visit Xieng Khouang Province on 25 June. In Xieng Khouang, the delegation was warmly welcomed by the party and administrative committees of the province. It returned to Vientiane on 27 June. During its stay in Xieng Khouang, the delegation held discussions and exchanged views with and heard reports on the production situation from the provincial party and administrative committees. It also visited production establishments at the agricultural cooperatives in Muang Pek district where Comrade Vo Thuc Dong hailed the achievements of the cooperative members in building their new life, and introduced how to apply new techniques to the production. The delegation was accompanied by Comrade Da Thepthani, member of the Lao Central Commission for leading agricultural cooperatives, and other cadres concerned. [Vientiane Domestic Service in Lao 0000 GMT 28 Jun 79 BK]

LUANG PRABANG ELECTRICITY PRODUCTION--Vientiane (KPL)--At the beginning of this year, the workers of the electric power company of Luang Prabang province had successfully carried out their production of electric power in the service of production in the factories, the state organisms and the dwelling places of the population. During last April in particular, they produced 293,815 kilowatt-hours of electric power, repaired electrical generators 197 times, and installed electric wiring in public establishments and private establishments 116 times. [Text] [Vientiane BULLETIN QUOTIDIEN in French 26 May 79 p 3] 11267

PHON HONG RICE SALES--Vientiane (KPL)--Since April, the inhabitants of the district of [Meuang] Phon Hong, Vientiane province, have enthusiastically sold more than 90 tons of their surplus rice to the state. In return, the local authorities have sold fabrics, oil, agricultural implements and tools to the population. [Text] [Vientiane BULLETIN QUOTIDIEN in French 23 May 79 p 5] 11267

SARAVANE COOPERATIVIZATION MEETING--On 23 May, the party and government committee of Saravane province held a meeting on agricultural cooperativization, with the participation of more than 70 persons from the party and government committees of the districts, the model cooperatives, the military command, etc. The meeting lasted for 8 days, during which the prime minister's report, the balance sheet for agricultural cooperativization in 1978, the work calendar for 1979 drawn up by the committee responsible for the province's agricultural cooperativization, and the reports on the model cooperatives were studied. [Text] [Vientiane BULLETIN QUOTIDIEN in French 9 Jun 79 p 5] 11267

OUTGOING CUBAN, INDIAN AMBASSADORS--On 27 June Roberto Valdes Munoz, ambassador extraordinary and plenipotentiary of the Republic of Cuba to Laos, took leave of President Souphanouvong after completing his term of service in Laos. Later in the day, President Souphanouvong also received E. A. Srinivasan, ambassador extraordinary and plenipotentiary of the Republic of India to Laos, who also bade farewell to the president prior to his departure for home after completing his term of service as ambassador to Laos. The president conversed with the two ambassadors in a cordial, friendly atmosphere. [Vientiane Domestic Service in Lao 0000 GMT 28 Jun 79 BK]

EQUALITY OF DISSATISFACTION AN ACHIEVEMENT IN ITSELF

Kuala Lumpur BUSINESS TIMES in English 21 May 79 p 1

[Excerpt]

MALAYSIA could become a "developed" nation in a short period if only the people could forget their feelings of dissatisfaction and work for the nation, Deputy Prime Minister Datuk Seri Dr Mahathir Mohamad said in Johore Baru yesterday.

He added that there was nothing to stop the country from attaining the "developed nation" status as it was not only rich in natural resources but had the ability to do so.

However, Datuk Seri Mahathir said that there was bound to be dissatisfaction among all the races as not all they wanted could be given.

In Malaysia's multi-racial context, it was not possible for any government to satisfy all the people, he said.

"We can only provide equality of dissatisfaction," he said. "But, this we consider a success for our country."

He said that it was better for all the races to be equally dissatisfied than for just one race to be satisfied, especially when the balance between the bumiputras and non-bumiputras was equal.

Datuk Seri Dr Mahathir was address-

ing heads of departments at the Tin Abang Rakah Operations Room at the State Secretariat before a briefing by the heads.

"The government cannot satisfy everybody," he said. "We can only give a little here and a little there."

He added that leaders of the country should understand this. They should also make the people understand this.

If the people understood that they could not get all that they desired, they will continue to live in peace and the nation will continue to prosper, he said.

He criticised foreigners who are fond of predicting about the

country's inter-racial harmony and prosperity.

He said that since independence these people have been predicting that the harmony would not last and that the days of prosperity would end.

He said that often he has told foreign reporters that the government did not aim to satisfy everybody.

He added that the solutions often suggested by these foreigners were not solutions but ways to make things worse.

PAPER SEES HOPEFUL SIGNS IN VIETNAM'S ATTITUDE

Kuala Lumpur NEW STRAITS TIMES in English 7 Jul 79 p 16 BK

[Editorial: "More Than Straws?"]

[Text] A number of isolated happenings in the last few weeks may be straws in the wind, or they may be genuine indications that Hanoi has begun to respond to international pressure to modify some of her more disturbing policies. A small but orderly traffic of emigrants has begun of Vietnamese direct to countries of resettlement. There has been a definite lull in the numbers of boat people landing on ASEAN shores and in Hong Kong. The Soviet aircraft carrier, Minsk, which was expected to call at Cam Ranh Bay, passed by Vietnam without stopping. Diplomatic sources in Bangkok have been saying that Vietnam may be willing to withdraw troops from Kampuchea (so long as she was sure that neither Pol Pot nor any other pro-China faction could take over power there) in exchange for normalisation of relations with the United States. Vietnam officially made the same promise of withdrawal in the context of its peace talks with China—hedged, of course, with all the expected preconditions.

These could be real gestures designed to appease a world opinion now thoroughly aroused against both Vietnamese occupation of Kampuchea and the forced exodus of vast numbers of people.

In any event it is sensible to keep open channels of dialogue with Vietnam, regardless of how incensed the ASEAN states may be over particular Vietnamese policies. Our neutrality in the big power conflicts, especially between China and the Soviet Union, must always be apparent. Outright hostility can only be answered with outright hostility, and would push Vietnam even further into the arms of the Soviets.

CSO: 4220

AUTHORITIES TIGHTEN ANTIREFUGEE NAVAL PATROLS

Hong Kong AFP in English 0655 GMT 5 Jul 79 BK

[Excerpts] Kuala Lumpur, 5 Jul (AFP)--Malaysian authorities have further intensified the naval cordon along the 600-mile east coast to prevent landing by Vietnamese boat people, it was stated here today.

The security personnel involved in maintaining the round-the-clock vigil along the coast has also been increased from 2,500 to over 3,500, a spokesman of the National Security Council said here today.

These measures were taken after a day-long meeting earlier this week of the council, the nation's top security agency, which reviewed the measures taken so far to turn away approaching Vietnamese boats from Malaysian shores.

Naval and marine patrols off the coast have also been stepped up with the support of helicopters and long-distance reconnaissance planes, which fly over the South China Sea looking for approaching refugee boats.

The spokesman denied a report from Jakarta that Malaysia and other ASEAN countries might relax their policy of turning away the boat people into international waters.

"Our shores will remain closed to these boat people until all those in the country are accepted by resettlement countries," the spokesman said.

Malaysia had about 65,000 Vietnamese refugees in four major camps, while another 12,000 to 15,000 are kept in makeshift tents along the beach.

Home Affairs Minister Tan Sri Ghazali Shafie, who is responsible for handling refugee matters, had made it clear that the government would not change its policy of turning away the boat people until third countries agree to set up United Nations controlled refugee camps on their soil.

An estimated 54,000 boat people had been towed away into high seas since January. Of these between 60 to 70 percent must have drowned while others could have reached the nearby Indonesian Anambas Islands.

Meanwhile, arrangements have been completed to airlift to Paris batches of Vietnamese boat people under the new French Government offer to take an additional 4,000 refugees from Malaysia, including 1,500 accepted by the city of Paris. A French Air Force DC-8 plane is due to arrive here tomorrow to fly out about 150 Vietnamese. A three-man refugee processing office has been set up at the French Embassy in Kuala Lumpur to speed up transportation and other clearances of the 4,000 Vietnamese accepted by France. The team flew in here last night and are being assisted by embassy officials in the process of interviewing and scrutinising the list of people who wish to resettle in France.

CSO: 4220

MAHATHIR SPEECH ON COMMUNISTS, RELIGIOUS EXTREMISTS

Kuala Lumpur NEW STRAITS TIMES in English 6 Jul 79 pp 6, 7 BK

[Text of Malaysian Deputy Prime Minister and United Malay National Organization [UMNO] Deputy President Datuk Seri Dr Mahathir Mohamad's 5 July speech at the joint opening of the UMNO Youth and Wanita UMNO General Assembly in Kuala Lumpur]

[Excerpts] When we speak of progress, we do not mean just material or worldly progress. Ever since we obtained power (though this power is shared with the other communities) we have been able to strengthen the position of Islam and its practice among Moslems, particularly the Malays. No one--not even our critics--can say that the solidarity initiated by UMNO has not elevated the position of Islam in Malaysia and helped propagate its teachings and gained for us the recognition of other Islamic nations.

However, progress has given rise to arrogance among some segments of the Malays. They have come to regard power and progress as natural phenomena. The important thing to do, they feel, is to demand more. It does not occur to them that power could slip from their hands. Overweening pride has made them forget the basis of that power--solidarity and efficiency in the use of power.

There are groups of Malays who go about forming breakaway segments from Malay society, without any sensible reason. Having formed these, they proceed to condemn those who are still united and try to create rifts among them. They don't take into account the effect of their action on the Malays, religion, and the nation.

At one time these groups exploited social and economic problems. Attracted by socialist views, they shrilly criticised so-called social injustice and the distribution of wealth in society. Disregarding the evidence, they shouted the slogan "The rich grow richer and the poor poorer."

Whether it is true that equal distribution of property means justice and happiness, they never question. Because others say so and they are fed this value by foreign socialists and communists, they accept these arguments without scrutiny.

That equal distribution of wealth in a society will make all the people poor does not occur to them. They reject the glaring reality that the socialist system of property distribution has reduced the people to poverty and made them slaves to several leaders who live in style.

In education, where the Malays have been left behind as a result of British colonialism, the restlessness whipped up by the socialists/communists diverts attention to what is portrayed as an effort to improve social conditions--to practise the socialist and communist system and policy. It is claimed that the existing society is capitalist and unjust, and should therefore be brushed away. And Malay students go about arousing feelings and launching various actions.

The socialists and communists and the enemies of the Malays who do not want them to achieve success are gloating. The Malays will continue to be left behind and Malay society will be fertile ground for the sowing of views that will turn them into tools of the communists and socialists.

Socialist influence is also felt in employment. Socialist students and intellectuals try to influence workers and trade unions to neglect their jobs. We know that we should put in an honest day's work for a living.

Yet when the socialists tell the Malays to stop working hard, to cease giving good service, and use their energies and capabilities to wreck and threaten the very industry which has given them job opportunities in their demand for higher pay, many Malays are influenced and do not question the motives of these self-styled sympathisers. Malay workers, lured by the promise of more lucrative returns, easily fall into the trap.

On the surface, the socialist concept and policy is very attractive, so much so that at one time there was a motion that UMNO should practise a semisocialist ideology. However, when the motion was debated in the UMNO Assembly, it was rejected and UMNO's struggle generally is said to be guided by democratic nationalism.

When the socialists attempted to divert UMNO's struggle, another group cashed in on the situation. Actually this group had come into being earlier but the course of their struggle foundered because a section of them had joined the National Front government.

A splinter from this group has created various movements, purportedly Islam-based. For several years in the early seventies they cooperated with the socialist group drawn from various communities. They participated in the demonstrations of those times on what they called Islamic socialism.

The failure of the socialist effort has caused these "religious" groups to part ways and fight on their own. The tactics, strategies and objectives of these groups, however, remain the same.

These exploiters of religion are dissatisfied with Islam because it does not countenance force and pressure. A merciful and loving God is unsuitable for their strategy. A forgiving God is also unsuitable.

They prefer the fierce god of outdated ancient religions whose followers were sacrificed and slaughtered if they did not follow orders. They prefer a religion which empowers religious leaders to pass sentence and torture followers like the high priests of the past. They prefer a religion with a system of clergymen or priests who not only interpret the religious teachings but are also closer to God and liaise between man and God.

In short, they want to be the shadow-puppeteers behind the scenes though others officially rule. What is happening in a central Asian country where the government is under the thumb of a clergy empowered to pass and mete out sentences appeal tremendously to this group.

Contrary to Islamic teachings, they define various fields of knowledge as secular and therefore not to be studied by Moslems. In this way they hope to become the learned elite in the Islamic world. Others will be ignorant and must bow to them.

As the saying goes, in the land of the blind, the one-eyed is king. In an Islamic society that is ignorant of true Islamic teachings, those who can display seeming religious knowledge by quoting selected portions of the Quran and the Prophet's sayings and doings, incompletely, out of context and wrongly interpreted, can hope to be "kings."

Confronted by these exploiters of Islam, UMNO is at times influenced. There are those among us who swallow wholesale the wrong interpretations promoted by this opportunist religious group.

Also, there are those among us who feel we should show that UMNO is no less zealous by practising these wrong ways. There are those who say that this is Islam and we should do as these people do.

Therefore many UMNO members and divisions draw up motions calling on us to adopt the ways of this deviant group. There are UMNO members who want us to emphasise clothing as a yardstick of Islam-ness. There are those who feel it would be Islamic to set aside education which is dubbed secular by these religious opportunists.

Yet others want the government, led by UMNO, to commit wrongs and brutalities against non-Moslems as proof of Islam-ness.

Such is the reaction of some UMNO members when faced by the strategies of UMNO's political enemies--these exploiters of Islam.

UMNO should not be trapped by these deviant Islamic groups and those driven by their arrogant egos. We should bear in mind that we have always maintained an Islamic basis in our struggle. We were way ahead of other parties and groups in pledging to protect and promote Islam in Malaysia.

This era is beset with extraordinary challenges and threats for Moslems. Topping the list is brotherhood in Islam. Moslems and Islamic nations not only do not have a sense of brotherhood among them, but are at loggerheads with each other. Moslems accuse one another of being un-Islamic not on religious grounds but because of politics. When they are in the same political camp, religious practices are not brought to the fore even though they are obviously wrong. If they turn enemies overnight there will be accusations of not being Islamic, made supposedly for the sake of Islam.

The same applies to Moslems in the same country. When there are no political differences among them, all that is practised is Islamic; but once they become enemies everything turns un-Islamic and is severely criticised.

The result of this attitude is enmity; in fact, the war among Moslems is fiercer than between Moslems and clearly anti-Islamic non-Moslems. More Moslems have been killed by Moslems than by non-Moslems. The weakness of Moslems today is more the fault of Moslems than non-Moslems.

Today Islamic countries command strategic sources of wealth in a way that is unprecedented in Islamic history. Armed with this wealth and oil power, Moslems could strengthen their position. But this wealth is not only wasted away but is used to oppress their own people, to wreak vengeance within an Islamic nation or between Islamic nations, to create trouble and to start wars between people and nations of the same religion.

When war breaks out Moslems and Islamic nations willingly seek the help of those who are not only non-Moslems but anti-Islam. The assistance is necessary because the Moslems, though wealthy, lack the technology and capacity to produce the weaponry so vital in facing the enemy.

The problem of the Moslems is the weakness that results in their defeat each time they go to war. The defeat is the result of a lack of knowledge, particularly on the intricacies of modern warfare. The strength of their forces and modern weaponry cannot make up for their inefficiency; that is why they lose every time.

And they refuse to acknowledge the real reason for their defeat; they put the blame on something quite unconnected with it.

Therefore the mistake remains uncorrected, and defeat will be the order of the day if there is another attempt to fight the enemy. They end up living in fear.

All this should be acknowledged by us, if not by other Moslems. UMNO and Moslems in Malaysia should not hold on to wrong attitudes. We should not live in the clouds and say that we are right and successful when it is obvious to all that we are neither right nor successful.

With this knowledge we can right wrongs and achieve progress. We should not be ashamed to admit that in education, for instance, we are behind. And without further debate on the teachings relating to pursuit of knowledge, we should concentrate on mastering all kinds of useful knowledge.

We should admit our backwardness and mistakes in business. As there is no restriction on business, and as wealth can strengthen the position of Moslems, we should participate in it seriously and responsibly. Religious teachings pertaining to honesty in business should be practised to gain the confidence of those who do business with us.

But all that can be done in a country where the Moslems are still not united and still weak in many ways, we will do.

We will concentrate on true Islamic practices, which will give strength and dignity to the religion and ourselves.

This includes fairness according to Islam for all those under our rule. There is no place for the flaunting of power through oppression and injustice to others. Also, there is no place for attempts to change the Islam of Allah the Loving and Merciful to a religion which demands that we carry out oppression and which believes in a fierce God who thirsts for sacrificial blood as a sign of obedience and faith.

CSO: 4220

JOHORE STUDENTS JOIN COMMUNIST GUERRILLAS

Kuala Lumpur BUSINESS TIMES in English 29 May 79 p 17

[Article by Thaung Myine]

[Text]

STUDENTS reported missing in the Southern Johore state have recently surfaced in the jungles along the Thai-Malaysian border as communist guerillas.

What is more worrying to the state authorities is the fact that the new communist recruits are no longer ignorant rubber tappers or construction workers as before, but sons and daughters of well-to-do middle class parents.

Chief Minister Tan Sri Othman Saat says at least 150 students have disappeared from schools in his state and want teachers and parents to help stop the flow.

Police said that some of the students had appeared in the jungles of Thailand Betong Sallent, jutting into Malaysia, 500 miles (800 km) away to train as guerillas.

Betong Sallent is the vast sanctuary of the outlawed Communist Party of Malaya (CPM) which is directing the infiltration of guerillas back into Malaysia from where they are recruited.

The Chief Minister appealed to teachers and parents not to allow their wards to throw away their future in a lost cause. He said that seven of about 50 guerillas killed in clashes with security forces along the Malaysian-Thai border last year were students from Johore.

He said that although the authorities knew the identities of students still planning to go underground, they had refrained from taking action to give parents and teachers an opportunity to save their children from detention or death in the jungle war.

Defections of Johore students to the communist cause were first reported last year when the authorities announced the detention of about 70 high school students.

Officials said that although a few students from the other nine states in Peninsular Malaysia had joined the

communists in the jungle, most of the defections came from Johore state.

Police also arrested 80 students this year involved in communist activities in the state schools. Two graduate teachers, believed to be responsible for sending students into the jungle, were also detained.

The officials explained that in the northern states like Perak and Pahang the students were able to see for themselves how small groups of guerillas lurking and starving in the jungle were hunted down by government forces.

Most of the 500 guerillas believed to be operating inside Malaysia, are scattered in these two states.

Apparently the communist ideology appeared more attractive to students from Johore state which was far removed from the border guerilla campaign, they said.

Some students have returned from the jungle disillusioned with the spartan life of hardships and danger and told fellow students in officially sponsored meetings of their repentance.

But such confessions appear to make little impression on some students and teachers in this state.

Tan Sri Othman urged members of the state parliament to join a campaign aimed at preventing students from going underground.

He suggested that parliament members organise work camp in their constituencies to give students proper guidance and keep them fully occupied.

Johore has a population of 1.8 million. The majority of them are Malays, but 40 per cent are ethnic Chinese dominant in commerce and industry.

The students, who have gone underground, are from the Chinese minority.

They had fallen victim to racist propaganda of the CPM whose 8,000 guerillas in Southern Thailand and Malaysia were mainly Chinese, the officials said. — Reuter.

DELEGATION SEEKS INCREASED USE OF CHINESE SHIPPING

Kuala Lumpur BUSINESS TIMES in English 19 May 79 p 1

[Article by Hardev Kaur]

[Text]

THE FREIGHT Committee of the Rubber Industry of Malaysia (FCRIM) will become the first delegation from Malaysia to follow up on the recent visit to China by Datuk Hussein Onn when its eight-member team leaves for the republic on Sunday.

Although the committee's plan to visit China was made well before the Prime Minister's official visit earlier this month, Datuk Hussein's successful tour of the republic will give the delegation an added importance.

The FCRIM chairman, Haji Abu Bakar Pawanchee, who will lead the delegation, disclosed in Kuala Lumpur yesterday that the major area of interest is the possibility of increasing the use of vessels belonging to the China Ocean Shipping Company (COSCO) for the carriage of Malaysian goods.

Haji Abu Bakar, who is also chairman of MRELB, said the team will explore the type and coverage of shipping services COSCO can provide for the carriage of dry rubber and bulk latex, in particular container service for the former and deep tanks for the latter.

Haji Abu Bakar said that there has been an increasing demand for containerised rubber consignments by the importers.

"Also with the gradual conversion of conventional vessels with suit-

able deep tanks for bulk latex to container vessels, the shippers are finding difficulties in getting suitable tank space to transport latex overseas," he said.

The coverage will include both West European and Mediterranean destinations as well as the United States.

The delegation will also discuss trade in general, marketing and related matters in the context of shipping and transportation with Chi-

na Resources Company in Hong Kong and the China National Chemicals and Export Corporation in Peking.

Facilities at the three major Chinese ports of Canton, Tientsin and Shanghai will also be studied, in particular the loading-unloading of rubber and the arrival conditions of rubber.

Haji Abu Bakar added that some COSCO vessels with deep tanks will also be appraised to ascertain their suitability for the carriage of bulk latex and dry rubber. He pointed out that similar appraisals were done for European ports such as Cardiff and Hamburg.

He hoped that COSCO will make use of the present period to conduct experimental shipments of dry rubber in containers and bulk latex in deep tanks so that when the Separate Merchants Agreement (SMA) with the Far Eastern Freight Conference (FEFC) expires on Aug. 31, 1980,

FCRIM will be able to reassess the shipping position and determine a new set of terms and conditions in the renegotiations with the FEFC for an SMA.

At the moment COSCO lines only carry about 12,000 tons of Malaysian rubber per year. The FEFC under the latest agreement is allowed to carry 75 per cent of rubber shipments (about 545,000 tonnes of rubber is carried by FEFC lines to Europe annually), while the remaining 25 per cent is carried by non-conference lines.

The amount carried by COSCO was small compared to the total production of rubber which was about 1.6 million tonnes a year.

On the transportation of latex, Haji Abu Bakar added that FEFC was allowed to carry all the 120,000 tonnes except the five per cent which was retained for experimental purposes.

PRIME MINISTER, CHINESE LEADERS DISCUSS TRADE EXPANSION

Kuala Lumpur BUSINESS TIMES in English 16 May 79 p 6

[Text]

Berjama's correspondent JANIL ABDULLAH, who accompanied the Prime Minister to China, goes over the visit to highlight the prospects of expanding direct trade between the two countries.

DATUK Hussein Onn's frankness represented a very significant factor which contributed to the success of his talks with Vice Prime Minister Teng Hsiao-ping during his recent visit to the People's Republic of China.

It is understood that the two leaders exchanged views frankly, openly and sincerely on various matters relating to the ties existing between the two countries.

Mr Teng, according to an official source, was very impressed by Datuk Hussein's sincerity and direct approach which contributed significantly to an agreement on various matters reached between the two after 45 minutes of talks held on the morning of May 3.

Only Foreign Minister Tengku Rithauddeen and his Chinese counterpart, Huang Hua, were present with the leaders.

After that the doors were opened to Minister of Works and Utilities Datuk Lee San Choon and Minister of Transport Tan Sri V. Manickavasagam, who joined in the talks for another hour.

Meanwhile the senior

officials of both countries were waiting in the conference room for the two leaders to finish before starting on talks involving the full delegations.

Datuk Hussein and Mr Teng emerged from the conference looking happy and satisfied with the outcome of their talks, leaving officials little to sort out.

At a dinner held in Datuk Hussein's honour and hosted by Mr Teng at the Great Hall that night, Datuk Hussein stated that "he was happy with China's positive response."

In the two-hour talks, Datuk Hussein had stressed, among other things, the importance of trade in the ties between the two countries. He informed Mr Teng of Malaysia's desire to enhance trade between Malaysia and China.

One unscheduled conference was held in the evening among senior officials to discuss questions on trade relations between the two countries.

Lasting about two hours, the discussion was very fruitful. The Malaysian party, led by secretary-general of the

Primary Industries Ministry Datuk Wong Yoke Meng, included private sector representatives from the Federation of Malaysian Manufacturers, Chambers of Commerce, and rubber and oil palm producers.

Although the discussion was of an exploratory nature, it indicated bright prospects of improving trade relations between Malaysia and China.

China indicated the probability of increasing its imports of products such as rubber and palm oil from Malaysia this year.

In fact, its palm oil import from Malaysia this year has, up till now, reached the total import for the whole of last year.

Trade between Malaysia and China has hitherto been in China's favour but according to the official source, there is hope of increased trade with China.

The reason is that China now requires plenty of raw materials to implement its modernisation programme which has become a major goal for the country.

Mr Teng describes the task as "a long march towards modernisation."

Malaysia has offered China assistance to develop rubber technology

and processing and refining of palm oil for edible uses. It is understood that China is now using palm oil only in soap-making.

Malaysia has also offered its technical expertise and experience to China in the development of its tin industry.

China, on its part, has expressed its full support for Kuala Lumpur as the centre for the International Natural Rubber Price Stabilisation agreement.

On May 4, the full conference of both delegations met for an hour. Datuk Hussein was accompanied by Tengku Rithauddeen, Tan Sri Manickavasagam, Datuk Lee San Choon and senior officials while Mr Teng was accompanied by Mr Huang Hua, Vice Foreign Trade Minister Mr Chiah Shi, Vice Transport Minister Mr Tao Chi and senior officials.

It is understood that China raised the issue of

trade agreements between the two countries. China's Foreign Trade Minister, Mr Li Chiang, had presented a draft trade agreement to Malaysia during his visit to Malaysia last year.

Datuk Hussein informed China that Malaysia was giving the draft agreement serious consideration with a view to increasing direct trade between the two countries.

According to an official in the Malaysian delegation, direct trade between Malaysia and China is growing and there is a strong possibility of it increasing further.

At the moment about 80 per cent of the trade between the two countries is carried out directly.

According to the official, China considers whatever it imports from Malaysia, including through third country, as constituting trade between the two coun-

ties.

The same is true with Malaysia which considers all Chinese goods brought into the country whether via Singapore or Hong Kong as constituting trade with China.

During the visit, Malaysian senior officials also held talks with Chinese counterparts on the possibility of reaching an air services agreement between the two countries.

China has prepared draft agreement which is now being studied by Malaysia.

Datuk Hussein's talks with the Chinese leaders and discussions between officials of the two countries have essentially laid the foundation for increased trade between Malaysia and China.

It is now up to the officers and private sector to make further efforts to achieve the objective.

Pernas chairman Tengku Datuk Shahrizan bin Tengku Sulaiman said that he would be stepping up efforts to increase exports to China with the aim of narrowing the trade gap between the two countries.

Pernas is now exporting rubber to China through its subsidiary company. Pernas-Mardec Pernas hopes to work closely with producers of palm oil to in-

crease export of their products to China.

Most of the palm oil bought by China is now being supplied by FELDA and the private sector.

It is understood that a Malaysian trade delegation will be coming to China in the near future to promote sales of manufactured and semi-manufactured products.

According to an official source, the mission will be arranged by the Ministry of Trade and Industry.

Meanwhile, Sabah Deputy Chief Minister Datuk James Ongkili, who was a member to the Prime Minister's delegation, has said that Sabah would send a follow-up mission to China to study the country's market requirements for hardwood sinkers.

He said Sabah has a surplus of the hardwood called "salangan batu" which was ideal as railway sleeper, and China had a huge potential market for these.

Whether the agreement achieved during Datuk Hussein's visit will bear fruits benefiting both countries depends on the sincerity of both sides.

As Datuk Hussein had said at Peking, both countries should show its sincerity not only through words but also through action.

INCREASE IN TRADE WITH BANGLADESH FOLLOWS PACT SIGNING

Kuala Lumpur BUSINESS TIMES in English 29 May 79 p 4

[Text]

TRADE between Malaysia and Bangladesh has gathered momentum, especially after the signing of the trade agreement which accords each other the most favoured nation treatment.

Greater interest in bilateral trade has also been generated as a result of the recent visit of President Ziaur Rahman to Malaysia, during which the possibility of increasing trade between the two countries was discussed.

The first ever trade mission from Bangladesh early this month signed three contracts with the Malaysian parties.

Mr Mohamed Amjad Hussain, the Third Secretary of the Bangladesh High Commission in Kuala Lumpur said yes-

terday that Bangladesh had contracted to supply garlic and two varieties of dried chili — the "Borga" variety which costs US\$1,400 per tonne (\$3,220) and the "chotoful" variety, US\$950 per tonne (\$2,155). Malaysian businessmen have ordered 10 tonnes of each variety and five tonnes of garlic at US\$620 per tonne (\$1,426).

Mr Abbulla Khaled, director of the Bangladesh Export Promotion Bureau, and Mr Siraj Islam, a senior executive of the Trading Corporation of Bangladesh, on their visit met Malaysian businessmen and had discussions with some 12 separate parties.

Mr Hussain added that negotiations were going on with interested

Malaysian parties on the import of potatoes. In addition, a Malaysian government organisation is keen to import dried ginger, frozen shrimps and prawns.

So far this year, Malaysia has agreed to buy 40 tonnes of fish and dried ginger and 10 tonnes of Indian salmon.

A businessman in Penang has been appointed the sole agent for the distribution of spices.

A Malaysian concern has also signed an agreement with the Bangladesh Chemical Industries Corporation for the purchase of paper and paper products and cellophane.

Similar interest has also been shown by a number of local businessmen for the purchase of paper.

TRADE BALANCE WITH INDIA TURNS IN MALAYSIA'S FAVOR

Kuala Lumpur BUSINESS TIMES in English 24 May 79 p 18

[Text]

INDIA, wary of the about turn in the trade balance with Malaysia in the past two years, has asked this country to look into the possibility of buying more from India to bridge the widening gap.

Between the two countries turned in Malaysia's favour in 1977 with a surplus of \$250 million and the margin was increased to \$400 million last year.

Between 1972 and 1978, trade was consistently in India's favour by an average of \$70 million a year during the period, said Deputy Trade and Industry Minister, Datuk Lew Sip Hon, yesterday in Kuala Lumpur.

Speaking to reporters after meeting the Indian trade delegation led by Shri K.K. Goyal, Minister of State for Trade and Commerce, Civil Supplies and Cooperation, Datuk Lew said that the change in the trade balance was due to the increased purchases of palm oil, both crude and refined.

He pointed out that about 80 per cent of India's imports of palm oil are from Malaysia. Last year imports were 400,000 tonnes, and orders for 281,216 tonnes of palm oil and related products had been placed so far this year.

Datuk Lew said that onions and spices were Malaysia's major imports from India. In 1977 Malaysia imported \$15 million worth of onions and spices while between 1975 and 1978 about \$21 million worth of the products were imported annually.

Recently, the imports of animal feed had also gained prominence. In 1978 \$16 million worth of the animal feed were imported and in 1979 the amount rose to \$18 million.

Malaysia's purchases of generators, metal working machines and electrical power switch gear amounted to \$20 million in 1977.

The Indian Minister hoped that Malaysia will increase its imports of agricultural products. India is prepared to sell rice to Malaysia. Datuk Lew added that Shri Goyal had assured him that India was prepared to grow the variety required by Malaysia.

In addition, Datuk Lew said that Indian machinery and technology had improved and that their quality was quite good. Datuk Lew said that India ranked seventh as a foreign investor in Malaysia. At the end of last year a total of 59 Indian joint ventures had been approved and out of this 30 were now in operation. These were for the manufacture of textiles, palm oil refining and the assembly of trucks, automobile and machine parts.

The Deputy Minister added that at the end of 1977, Indian capital investments, including that in joint-ventures amounted to \$47.8 million.

Shri Goyal has suggested that a Malaysian trade mission be sent to India as more Indian investments in Malaysia would be mutually beneficial. Datuk Lew promised to consider the re-

quest.

The Unciad V meeting, currently being held in Manila, was also discussed. India agrees with Malaysia's stand at the meeting as expounded by Datuk Seri Dr Mahathir Mohamad, the Deputy Prime Minister.

Datuk Lew added that "India and Malaysia see eye to eye on the North-South issue and as a member of the Group of 77 subscribed to the Arusha programme".

The Indian Minister had singled out the need for greater regional co-operation, and as such he had asked for a dialogue with Asean countries, which he felt was a force good for the stability in the region. He pointed out that Asean and India should concentrate on trade, industrial and technical cooperation.

An international trade fair will be held in New Delhi in November this year and India has invited Malaysia to participate.

The economic and technical cooperation agreement between India and Malaysia also came up during the two-hour discussion. The agreement was signed during Datuk Hussein Onn's recent visit to India.

As a follow-up, India has invited Malaysia to send a "multi-disciplinary team" to explore and identify the areas of closer cooperation. India is also prepared to train Malaysians at their Small-scale Industries Service Institutes (SISI) or send experts here.

SCIENTIFIC, CULTURAL COOPERATION AGREEMENT WITH POLAND

Kuala Lumpur BUSINESS TIMES in English 25 May 79 p 3

[Text]

POLAND and Malaysia will sign a cooperation agreement early next year to strengthen ties in the scientific and cultural fields.

Both sides are now studying details of a draft agreement which the Polish government submitted to Wisma Putra recently.

This was stated by the Polish Ambassador to Malaysia, Mr Janusz Switkowski after calling on the Malacca Chief Minister, Encik Mohamad Adib bin Haji Adam at his office in Malacca yesterday.

He said that Poland which was heavily industrialised was keen to export more machinery pertaining to mining, shipping and agriculture.

He said Poland was importing tin, rubber and palm oil from Malaysia.

Mr Switkowski, who became Poland's first Ambassador to Malaysia six months ago, said that his priority was to strengthen trade relations.

He also said that Poland was also keen in sending soccer teams to Malaysia and also get Malaysian sports teams to visit Poland for friendly games.

This would be in line with the intentions of both governments to nurture closer ties, he added.

Mr Switkowski said that Malaysia and Poland had already signed five other agreements since 1970. The fifth signed last year was for the avoidance of double taxation. — Bernama.

YUGOSLAV ENVOY SEES IMPROVEMENT IN TRADE, UNDERSTANDING

Kuala Lumpur BUSINESS TIMES in English 28 May 79 p 1

[Text]

A NEW international economic order can only be realised if the developed nations rectify their attitude and adopt a common approach to the current economic problems plaguing the Third World countries, said the new Yugoslav Ambassador to Malaysia, Mr H.E. Lazar Musicki.

Mr Musicki said the Unctad V in Manila has confirmed the issues the Third World countries have been fighting for all along.

Developed nations must realise that some changes are needed in their approach to solve these problems, he said, adding that they are important for the creation of a better international economic system.

He said on arrival at Subang yesterday that as far as the non-aligned nations are concerned, they have agreed on the

economic points raised by the Third World countries at Unctad V.

But most important, he added, was that the non-aligned nations have adopted a common approach to tackle these problems, particularly trade protectionism.

Further discussions on the economic standing of the Third World countries and possible corrective measures on trade protectionism will be on the agenda of the forthcoming non-aligned nations summit scheduled to be held in Havana in August, he added.

Mr Musicki said that it is time for most of the developed nations to modify their position to assist in the improvement of the economic well-being of the developing countries. But such changes, he added, will not materialise in a short span of time.

"The necessary changes needed to improve the economic position of the Third World countries can only be achieved through the process of discussions and meetings," Mr Musicki added.

He pointed out that the recent visit to Yugoslavia by the Malaysian Parliamentary delegation, led by Tan Sri Syed Nasir Ismail was an instance of "understanding and fruitful talk" between the two countries.

He added that there are still a "lot of room of endeavour" between the two countries particularly in the field of industrial joint-ventures and public development projects.

Mr Musicki said that trade ties, as well as political understanding, between the two countries have improved con-

siderably in a short period of 10 years of diplomatic relationship.

Nevertheless, he said, the present trade balance is in Malaysia's favour, adding that Yugoslavia, therefore, would like to gain a better share of the Malaysian market for its capital and consumer goods.

On Yugoslavia's involvement in Malaysia's industrial development projects, Mr Musicki said the commitment in terms of investment and technological assistance should be both ways, adding that any aid between the two countries should be mutually beneficial.

Considering the abundant resources available in the country, he said, Malaysia's industrial development plans will probably be fully met by the end of the century.

MALAYSIA

YUGOSLAV DELEGATION DISCUSSES ECONOMIC, TECHNICAL COOPERATION

Kuala Lumpur NEW STRAITS TIMES in English 4 Jul 79 p 11 BK

[Text] Kuala Lumpur, 3 Jul—A committee of Malaysian and Yugoslav experts is to be set up to identify the areas of economic and technical cooperation.

This committee will pave the way for the formation of a larger joint commission for Yugoslav-Malaysian cooperation.

The deputy minister of trade and industry, Datuk Lew Sip Hon, said this after meeting members of the visiting Yugoslav Government delegation led by Mr. Bogoljub Nedelukovic, a member of the Yugoslav Federal Executive Council.

Datuk Lew said Yugoslavia was very keen in setting up joint ventures with Malaysian investors, especially in wood-based products.

A leading Yugoslav company was interested in setting up a factory in Malaysia to manufacture furniture for export.

He said the possible purchase of Yugoslav ships was one way of rectifying the present balance of trade, which was in Malaysia's favour.

He added that though trade had expanded rapidly between the two countries, from \$15 million in 1972 to \$100 million in 1976, Malaysian exports to Yugoslavia had increased much faster than imports.

The joint commission as provided in the 1972 Yugoslav-Malaysian economic agreement, would find ways to expand trade and identify more joint-venture projects.

Datuk Lew said there were opportunities for increasing purchases of Yugoslav machinery but Yugoslav companies should step up sales promotion, improve their after-sales service and ensure that their equipment conformed to local specifications.

He said he was happy that the Yugoslavs were aware of this and local representative offices of some Yugoslav companies had already been set up.

He said if more Yugoslav companies were to win engineering tenders, like the one recently won for supply of a transmission line to National Electricity Board, then this would help redress the balance of trade.

Datuk Lew added that he hoped Yugoslav companies would compete more aggressively to win contracts for public projects such as roads, bridges and tunnels under the Third Malaysia Plan.

CSO: 4220

PALM OIL INDUSTRY ENTERS NEW PHASE

Kuala Lumpur BUSINESS TIMES in English 28 May 79 p 18

[Article by Soh Eng Lim]

[Text]

RECENT developments definitely point to the fact that the Malaysian palm oil industry has entered a new phase in its growth.

Not that the industry has been in any way tardy or deficient in its earlier progress: compared to what has happened in the rubber, tin and timber industries, the rise of the palm oil industry has been nothing less than spectacular.

However, there is no denying that until now there have been particular aspects of the industry which have not been satisfactory or in which there have been cause for concern.

The setback in production caused by the 1977-78 drought, for example, had given rise to various repercussions while the delays which have occurred in getting the various essential machineries of the industry — like the Palm Oil Registration and Licensing Authority (Porla) and the Palm Oil Research Institute of Malaysia (Porim) — into full swing, or off the ground, have given rise to comments and criticisms even from official sources.

From this year, however, there has been a marked improvement in the situation. Porla has come into full operation and on the 15th of this

month, the long-awaited Palm Oil Research and Development Act, 1979 came into effect.

This was followed almost immediately afterwards (on May 19) by the naming of Tan Sri Dr B.C. Sekhar and twelve others as members of the Malaysian Palm Oil Research and Development Board, and the convening of the first meeting of the new board the following Monday (May 21).

As if to set the seal on the rapid succession of events, the Primary Industries Minister indirectly disclosed the next day that this month India had finally agreed to purchase the far-from-insignificant amount of nearly 300,000 tonnes of palm oil from Malaysia for delivery over the next 12 months.

Though overshadowed by the more immediate and tangible appeal of the large sales deal with India, there is no doubt that it was the formation of Porim that constituted the more important aspect of last week's news.

While there is every indication at present that the market for palm oil will remain steady and favourable for some time, there are also signs that all may not continue to go well for the industry in the years ahead.

Based on the fact that Malaysia's rate of palm

oil production is growing at 5 per cent a year while the annual growth rate for fats and oils in general is only 2.9 per cent, Porim director general Dr C.C. Webster recently estimated that, barring unforeseen changes in the demand and supply pattern, there would be an excess of six million tonnes of palm oil in the world market by 1985.

At the same time, as the Primary Industries Minister has pointed out, Malaysia's palm oil production would rise from 1.75 million tonnes last year to four million tonnes in 1985 and 5.5 million tonnes by 1990.

At these rates of production, the implication is clear: Malaysia must find increasingly more and better markets for its palm oil products.

The problem is greatly aggravated by the fact that, as one industry source pointed out at a recent seminar, technological improvements in refining and manufacturing processes have made possible a greater degree of interchangeability between the various types of edible oils and fats in the making of various consumer products.

The crucial factor in the choice of any particular edible oil will, therefore, ultimately rest on its price.

Price, of course, depends on a multitude of interacting factors not

the least important of which are such details as the level of yield or productivity.

Improvements in the competitive position of a product as against its rivals mostly boil down to the extent of research and development carried out on its behalf and it is for this reason that "R and D" has been acknowledged as pivotal to the future of the palm oil industry.

Hence the importance attached to Porim which began its existence as a physical entity as from last week.

Much is expected of this body and thanks to its close association with its counterpart and model, the Rubber Research Institute of Malaysia — a connection exemplified and personified by the appointment of Tan Sri Dr Sekhar as the head of both the rubber and palm oil R and D boards — there is no doubt that much will be achieved by Porim to produce the results that will quickly enable the palm oil industry to face the challenges that lie ahead of it.

Porim admittedly does not have much time in which to make its impact felt but it will have the advantage of learning and benefiting from the efforts of RRIM and its other predecessors and counterparts in other similar industries. — Soh Eng Lim

COORDINATION OF BINTULU PROJECT; EAST COAST OIL PRODUCTION

Kuala Lumpur BUSINESS TIMES in English 30 May 79 p 1

[Text]

SARAWAK'S request to Petronas for an increased royalty on its oil and gas is being considered at "the highest level," Petronas chairman and chief executive Tan Sri Abdullah Salleh said yesterday.

He confirmed that the state government had submitted a written request to Petronas on the matter.

Petronas now pays a royalty of five per cent on the gross value of oil and gas found in Sarawak.

Tan Sri Abdullah told reporters at the end of a two-day visit that he had discussions with state leaders on co-ordinating construction work on the \$3 billion liquefied natural gas project in Bintulu.

He explained to them the importance of working together to ensure that the plant would begin production by the target date of 1983.

The LNG plant was one aspect of an integrated project that included the specialised LNG shipping terminal and infrastructure like roads, electricity, water supply and housing, he said.

Construction delays in any area would cause a chain reaction throughout the project, he added.

We have a very heavy investment in this project but if the terminal is not completed in time, we will not be able to ship out our LNG, he said.

Tan Sri Abdullah assured the state leaders that Petronas would direct its contractors to give preference to Sarawakians when recruiting workers.

He however, stressed that the work must go on and if sufficient skilled workers were unavailable locally, recruitment from other states would be made.

Meanwhile, the Trengganu branch office of Petronas is now handling the export of crude oil produced off the coast of Trengganu totalling 1.6 million barrels a month.

Four shipments are exported each month with about 400,000 barrels worth about US\$5.7 million (\$12.5 million) being shipped each time.

According to the latest issue of the corporation's publication, Nada Petronas, the crude oil is exported to the United States, Japan and Singapore.

The publication adds that besides handling exports of crude from Petronas, the branch office also supervises the export of oil by Esso,

who is a Petronas contractor.

At present, the crude is produced from three sites, at Pulai, Tapia and Bekok, which are situated between 120 and 150 miles off shore.

The average rate of production for last October was 69,000 barrels a day.

Three exploration vessels are now conducting tests for oil off the coast of Trengganu.

The publication also says that the Trengganu branch of Petronas is working closely with the State Economic Planning Unit and State Development Corporation to coordinate and expedite the implementation of petro-based projects in the state.

The projects include the building of a supply base and a housing complex for Petronas contractors.

The branch is also organising talks in secondary schools in the East Coast region to encourage more students to take up courses related to the petroleum industry.

Such talks have so far been given to students of 12 secondary schools in Trengganu and four fully-residential schools in Kota Bharu and Kuantan. — Bernama

AREA TO BE SET ASIDE FOR OIL-BASED INDUSTRIES

Kuala Lumpur BUSINESS TIMES in English 25 May 79 p 1

[Text]

AN INDUSTRIAL area to locate all petroleum-based industries is being planned in Paka, Kerteh with an investment of about \$1,500 million, Finance Minister Tengku Razaleigh Hamzah said yesterday.

He said the project covering 729 acres would be situated near the petroleum supply depot at Tanjung Berhala in Kemaman.

Among the projects to be set up in the area were petro-chemical complexes, a small refinery, a gas landing base and an oil terminal.

Tengku Razaleigh was speaking at a Press conference after separate meetings with Trengganu State Executive Councillors, and Federal and state department heads on the first day of his two-day visit to Trengganu.

He said feasibility studies on the projects were being carried out by Petronas with the assistance of consultants.

If found viable the projects would be implemented soon.

He said the oil terminal costing about \$200 million and the gas landing base costing \$300 were expected to be completed in 1982.

Tengku Razaleigh said a base to supply oil to a power station to be built by the National Electricity Board had also been planned for the area.

The station would supply the power needs for the whole east coast of Peninsular Malaysia.

He said studies on the possibility of utilising gas from off-shore drilling areas to produce electricity were also being carried out.

Other projects to be implemented were a petroleum research centre for Petronas and a helicopter landing pad.

He said about 1,000 houses would also be built to meet the housing needs of workers besides another 400 for Petronas and oil companies officials.

Tengku Razaleigh

said revenue from the 90,000 barrels of oil produced daily would no doubt provide an incentive to the Trengganu government to intensify development efforts for the benefit of the people.

On oil prices Tengku Razaleigh said the government was determined to stabilise its price at a reasonable level.

This was to ensure that development efforts both in the public and private sectors would not be affected, he added.

The government had planned to build a fourth refinery besides the two in Port Dickson and one in Miri as soon as possible.

He said, however, this did not mean that the

price of oil would not increase as oil was depleting commodity and that the cost of exploration was all the time increasing.

Tengku Razaleigh said the Federal government planned to send more officers to implement development projects in Trengganu in line with the additional allocation given to the state under the Mid-Term Review of the Third Malaysia Plan.

He said the original allocation of \$911 million had been increased to \$1,490 million under the review.

He added that although the implementation of projects in Trengganu so far reached 46 per cent of the target the achievement in other fields including water supply and rural electrification projects was more encouraging.

Tengku Razaleigh said he would give serious attention to the problems submitted to him.

He also said the Federal government had accepted the state government's proposal that the Kuala Trengganu airport be expanded.

He added, however, this would depend on the decision of the Cabinet and the future of MAS. — Bernama.

POLICE UNREST AFFECTING TOP SECURITY AGENCIES

Madras THE HINDU in English 24 Jun 79 p 11

[Article by G.K. Reddy]

[Text] NEW DELHI, June 23. The Janata in-fighting and the Congress(I) were overshadowed today by reports of increasing unrest among the para-military forces of the Central Government, which is assuming the dimensions of near mutinous behaviour in many places.

The open defiance by the civil police in several States has set the pace for a similar agitational approach by armed police formations which unfortunately is taking the shape of a confrontation in some cases, compelling the Government to call the army to disarm them.

The Political Affairs Committee of the Cabinet has taken the decision to curb indiscipline at any cost and dismiss all those guilty of open disobedience, while continuing to take steps to redress the legitimate grievances of the Central police forces which total in all to roughly a quarter million men.

After the army take-over of the CRP camps in Kerala, some more restive units of the Central Reserve Police in Delhi, Bihar and some other places have adopted a threatening attitude, by taking over the armouries, abstaining from guard duties and abandoning sensitive installations, to press their demand for the withdrawal of troops from these centres.

About 2,000 CRP jawans stationed at the Jharoda Kalan Group Centre outside Delhi who have turned down the pleas of their officers to return to duty are insisting that, in addition to withdrawing the army from the Kerala camps, the Central Government should give an assurance that the troops will not be sent to Kerala to replace the CRP units on strike in the State.

A disquieting feature of the present police unrest in the country is that it has not only spread rapidly from the civil police forces in the States to the armed para-military formations under the Centre, but it is also affecting the top security agencies like the Intelligence Bureau (IB), the

Research and Analysis Wing (RAW) and numerous other super-secret outfits under them. The Border Security Force (BSF) has so far remained unaffected, but it cannot remain immune from this contagion if the Government is obliged to take strong action against the restive elements in other Central police establishments.

The use of the army to quell police defiance is the ultimate weapon at the disposal of the Government and it cannot be invoked except in extreme situations. Now that the army has been called in in Kerala and Orissa, and troops have been alerted in other places to be ready to move in at short notice to disarm the defiant police units, the whole controversy is being carried to a more hazardous stage at which the Government will be left with no alternative except to use force to enforce discipline.

Apart from the known grievances of the police in regard to their living and working conditions, the root cause of the current unrest can be traced to the progressive erosion of the relationship between officers and men. The breakdown of this relationship has weakened the chain of command sapping mutual confidence. The officer classes also are equally riven by service rivalries leading to divided loyalties and constant frictions.

If the IPS officers resent the dominance of the IAS at the higher levels of Government, the civilians as well as army officers seconded to paramilitary police formations and intelligence agencies are equally bitter about the preponderance of police officers in them. Now that the police forces both at the Centre and the States have been permitted to have staff councils as different from trade unions, the various categories of officers and men are trying to press their particular demands much to the chagrin of their commanding officers at the top of these forces. There is every danger of the country heading for all-round confusion in police administration before things start settling down again.

CSU: 4220

PAKISTAN

PAKISTAN MUSLIM SECT BID TO FRUSTRATE NEW TAX PROPOSAL

Madras THE HINDU in English 27 Jun 79 p 4

[Text] ISLAMABAD, June 26. A split between Shia and Sunni Muslims over Pakistan's Islamic law deepened yesterday when a Shia leader instructed his followers to withdraw their money from banks to frustrate new tax proposals.

Pakistan's Army ruler, Gen. Mohammad Zia-ul-Haq, has been faced with deep-rooted opposition to planned reforms of a wealth tax and a tax on agricultural produce which come into force on Monday.

Both taxes are considered fundamental to an austere Muslim society by the military Government.

But the minority Shias say the taxes go against their beliefs. They maintain Gen. Zia is allowing the majority Sunnis to ignore Shia religious beliefs.

Shia leader Mufti Jafar Hussain told a press conference that efforts to reconcile the two communities had failed and he feared his followers might have to take to the streets to safeguard their beliefs.

Mufti Jafar Hussain said Shia representatives had been instructed to resign from a Government-sponsored committee because it had failed to sort out the differences between the sects.

The community had also been instructed to withdraw its money from bank deposits before the end of the month to frustrate the Government's attempts to introduce the new taxes.

The Shias say they represent 35 percent of Pakistan's population, or about 25 million people.

Sunni leaders put the Shia number at about 10 million.

Government sources said there was still time for the differences to be resolved. The wealth tax is to be levied annually and could be postponed.--
Reuter.

AGRICULTURAL ASSISTANCE SOUGHT FROM MALAYSIA

Kuala Lumpur BUSINESS TIMES in English 16 May 79 p 18

[Excerpt]

PAPUA New Guinea hopes to draw up a technical cooperation agreement with Malaysia soon in agricultural development and land rehabilitation and resettlement. PNG Minister of National Planning and Development, Mr John Kaputin said yesterday.

Mr Kaputin said Malaysia's experience in land rehabilitation and resettlement schemes and the development of cash crop cultivation such as oil palm, cocoa and coconut will be a good guide for Papua New Guinea's current agricultural and land development programmes.

He was commenting on the "impressive agricultural and land development programmes" in Malaysia when he attended a briefing on the activities of Felcra by its Director of Operations, Encik Mus-

taffa Juman at Felcra headquarters in Kuala Lumpur. Mr Kaputin and other senior officials are on a six-day official visit to Malaysia.

Mr Kaputin said that his country is now going through the transitional stages of land and agricultural development since it attained independence four years ago, adding that the current development programmes have been retarded by the lack of agronomists and researchers.

At the present stages, Mr Kaputin said, the rehabilitation of failed land schemes are being carried out in Papua New Guinea, adding that the related technical assistance, hopefully, will be provided by the Malaysian government, particularly when there is a definite and identifiable corps of trained personnel here.

CSO: 4220

PHILIPPINES

BANK GOVERNOR FORECASTS PHILIPPINE ECONOMY FOR LAST HALF-YEAR

Hong Kong AFP in English 1005 GMT 12 Jul 79 OW

[Text] Manila, July 12 (AFP)--Central Bank Governor Gregorio Licaros today painted a mixed picture of the Philippine economy for the last half of 1979. In an address to the Rotary Club of Manila, Governor Licaros said the volume of Philippine imports would taper off because of inventories in recent months, but their prices would go up because of the oil price hikes.

Mr Licaros also said Philippine exports would be more than last year's but the country would have a trade gap about one-third larger than that of 1978, which will cause a balance of payments deficit of about 350 million U.S. dollars (34 million dollars in 1978).

The governor also predicted a 15 percent inflation this year, almost double that of 1978 because of the effects of the oil price hikes and price adjustments in the wake of increased wages and lifting of price controls on several basic commodities.

However, Mr Licaros said the Philippine peso would remain stable because of the country's huge international reserves of 2.138 million dollars at the end of June, and the Central Bank was ready with "timely and occasional smoothing out operations in the foreign exchange market."

He also promised increased money supplies and domestic credits--which had been tight recently--to meet the needs of a targeted six percent growth rate of the gross national product, while keeping inflation at a "reasonable level."

CSO: 4220

SINGAPORE PAPER REPORTS DEFECTION OF LOCALLY-BASED 'ADN' CORRESPONDENT

Singapore STRAITS TIMES in English 26 Jun 79 pp 1, 32 BK

[Article by N. G. Kutty]

[Text] The Singapore-based correspondent of East Germany's official news agency ADN (Allgemeiner Deutscher Nachrichtendienst) Mr Heiner Klinge, has defected to West Germany, it was reliably learned yesterday.

Mr Klinge, who was in Singapore for about 6 years, is believed to have flown to Frankfurt on June 19—4 days before the new ambassador of the German Democratic Republic, Mr Eberhard Feister, presented his credentials to President Sheares.

He immediately sought asylum there, it was learned.

His wife and his 10-year-old daughter were with him.

There was no response from the ADN's new office at City Towers in Bukit Timah Road. Mr Klinge and his family were residing at St Martin's Drive, off Tanglin Road, before his defection.

Mr Klinge, who is in his mid-40s, underwent an operation at the Gleneagles Hospital earlier this year and was warded for about 2 months.

A member of the Singapore Press Club, he regularly attended all its functions, especially the weekly Tuesday lunches.

He was also a member of the Foreign Correspondents' Association of South-East Asia and was one of its three vice-presidents last year.

He was noted for wearing batik shirts at most functions, including VIP receptions and other official functions, and was known for his interest in Chinese operas and Indian dances.

Fellow foreign correspondents said he gave a farewell lunch at the Omar Khayyam in Hill Street recently.

Mr Klinge is believed to be the first foreign correspondent based here to have defected.

CS0: 4220

ADMIRAL GENERAL DISPLEASED THAT FOREIGN NEWSMEN ENTER REFUGEE CAMPS

Bangkok BAN MUANG in Thai 26 Jun 79 pp 1, 16

[Excerpts] Some groups of Vietnamese refugees are beginning to play a new role in the refugee camps by using the "hands" of foreign newsmen to carry reports that would sabotage Thailand by covering up the facts. Those close to the situation say that aside from causing a loss of face, the matter can be used as a point of departure for a political attack.

Reports from BAN MUANG reporters observing the border situation in Chantaburi and Trat state that the issue is seen as a big problem which the military authorities are seeking to prevent and they state that it is causing misunderstandings between Thailand and other countries.

This is a new role in that the Vietnamese and Kampuchean refugees of Chinese extraction in the country illegally are using foreign newsmen as links in a communication chain by providing them with false information. This hurts Thailand and this is the desire of the various news agencies in their worldwide reporting. All of the foreign newsmen are attempting to grab onto an issue and make it something that will create excitement and be blown out of proportion.

Our reporters asked Rear Admiral Kasem Likhitwong, the chief of staff of the border command in the Chantaburi-Trat sector for his views on the matter. He stated that the military command is constantly asking for the cooperation of foreign newsmen, especially concerning the investigation of documents given to foreign newsmen by Vietnamese and Kampuchean refugees entering the country illegally. All newsmen who get these documents must hand them over to the military authorities, but some are slipping by in order to write stories and take photographs in the refugee camps. Concerning the foreign newsmen, there is another problem in that they speak French or Chinese directly without the military guards being able to understand and this enables false reports to get out to the world.

General Serm Nakhorn added that news reports getting out of the Vietnamese and Kampuchean refugee camps which cause Thailand to be attacked and damaged are a very bad thing which the military authorities must prevent. From now on, an information center will be established in the Supreme Command Headquarters itself with officials from the Foreign Ministry, police and military working together to provide information directly to the information office to distribute which will be correct and in line with the realities. In the border areas [information] centers will be set up in Aranyaprathet, Chantaburi and Trat. Detailed investments will be made concerning this matter specifically.

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